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Summary record of the 63rd meeting
Held at Headquarters, New York, on Thursday, 11 May 2000, at 10 a.m.

Chairman Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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00-42736 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 150: Financing of the United Nations Observer Mission in Sierra Leone (A/54/778 and A/54/858)

Agenda item 172: Financing of the United Nations Mission in Sierra Leone (A/54/820 and A/54/858)

1. **Mr. Halbwachs** (Controller), introducing the reports of the Secretary-General on financing of the United Nations Observer Mission in Sierra Leone (A/54/778) and financing of the United Nations Mission in Sierra Leone (A/54/820), said that the former contained the financial performance report of the United Nations Observer Mission in Sierra Leone (UNOMSIL) for the period from 13 July 1998 to 30 June 1999. The General Assembly had appropriated $22 million for the Mission; of that amount, $16.2 million had been assessed on Member States and only $12.9 million had been spent. The significant under-expenditure was attributable to the scaling back of operations as a consequence of the outbreak of hostilities in Freetown in mid-December 1998 and early January 1999, which had led to the evacuation of UNOMSIL to Conakry and the subsequent downsizing of the Mission.

2. The second of the reports before the Committee (A/54/820) contained the revised budget for the operation of the United Nations Mission in Sierra Leone (UNAMSIL) for the period from 1 July 1999 to 30 June 2000 and the proposed budget for the subsequent 12-month period. The revised budget figure was $265.8 million, an increase of $65.8 million over the appropriation initially approved by the General Assembly. The increase was necessitated by the decision of the Security Council, in its resolution 1289 (2000), to expand the military component of the Mission and revise its mandate. The proposed budget for the period from 1 July 2000 to 30 June 2001 totalled $476.7 million. Given the recent events in Sierra Leone, the amount remained necessary in view of the urgent need to bring the Mission forces up to authorized strength and to replace lost vehicles and equipment.

3. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the financing of UNOMSIL and UNAMSIL (A/54/858), said that the Advisory Committee had accepted without change the proposals of the Secretary-General both for the period ending 30 June 2000 and for the period from 1 July 2000 to 30 June 2001. Events in Sierra Leone since the Advisory Committee's report had justified the decision to accept the estimates proposed by the Secretary-General, subject, of course, to the Committee's observations in the report.

4. **Mr. Medina** (Morocco), speaking on behalf of the African Group, said that the Group commended the efforts of UNAMSIL to find a solution to the conflict in Sierra Leone. The Group was deeply concerned about the hostage-taking and loss of life but hoped that the Member States committed to participating would not be discouraged from doing so and that the matter could be resolved in the spirit of existing agreements between the parties to enable UNAMSIL to attain full strength by July 2000 as envisaged. The Secretary-General could count on the full support and cooperation of the African Group in reaching a solution.

5. **Mr. Amolo** (Kenya), speaking on behalf of the States of the East African Community, supported the statement of Morocco. The Community countries believed strongly in the role of the United Nations in peacekeeping in Africa and were deeply concerned about the increasingly dangerous situation in Sierra Leone. The participating troops of Kenya, in particular, had suffered grave injuries. Clearly, the mandate of UNAMSIL was not adequate. The East African Community fully supported the proposals put forward by the summit meeting of the Economic Community of West African States on 9 May 2000, calling for a review of the UNAMSIL mandate, speedy deployment of the rest of the required forces, an increase in the size of the forces authorized and rapid provision of equipment and *matériel*. Recent events in Sierra Leone and the said experience in Angola should demonstrate to the international community the importance of equal treatment in the way peacekeeping operations were established and financed.

6. The East African Community commended the Department of Peacekeeping Operations for its sterling efforts to recoup the situation, urged the Security Council to procrastinate no longer in giving UNAMSIL what it needed to do the job, and hoped that the Committee's deliberations would clear the way for adequate financing to UNAMSIL.

7. **Mr. Hassan** (Nigeria) endorsed the statements by Morocco and Kenya. The losses in Sierra Leone had also borne heavily on Nigeria. His delegation looked for expeditious measures to be taken to alleviate the situation.

Agenda item 121: Programme budget for the biennium 2000-2001 (*continued*)

Estimates in respect of matters of which the Security Council is seized (A/C.5/54/53 and A/C.5/54/57)

8. **The Chairman** drew the Committee's attention to the reports of the Secretary-General on the proposed resource requirements relating to the extension of the mandate of the United Nations Office in Angola (A/C.5/54/53) and to the monitoring mechanism authorized by the Security Council in its resolution 1295 (2000) (A/C.5/54/57).

9. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), presenting the oral report of the Advisory Committee, recalled that by resolution 1268 (1999) the Security Council had authorized the establishment of the United Nations Office in Angola (UNOA) for an initial period of six months ending 15 April 2000 and that the General Assembly, in its resolution 54/250 had approved a provision for UNOA in the programme budget for the biennium 2000-2001 of $2,030,500 for the period from 1 January to 15 April 2000. Subsequently, by resolution 1294 (2000), the Security Council had extended the mandate of UNOA to 15 October 2000.

10. According to paragraph 5 of the report of the Secretary-General (A/C.5/54/53), the total cost of the extension of the mandate was estimated at $4,434,400, to be partly offset by savings of $588,100 from the appropriations for the prior mandate period. The Committee agreed with the resulting proposed charge of $3,846,300 against the provision of $90,387,200 for special political missions under section 3, Political affairs, of the programme budget for the biennium 2000-2001.

11. With regard to staff resources, the Advisory Committee noted that the Security Council, in paragraph 2 of resolution 1268 (1999), had decided that UNOA should consist of up to 30 substantive Professional staff. In that regard, the Committee would like to draw attention to the fact that it was the function of the General Assembly, upon the recommendation of the Fifth Committee, to establish the level of resources, including staff, for activities of the Organization.

12. Paragraph 6 of the report of the Secretary-General (A/C.5/54/53 indicated that 114 posts (73 current and 41 new posts) were being proposed. It had been clarified that the 41 additional posts were required because support from the United Nations Observer Mission in Angola (MONUA) and the United Nations Development Programme was no longer available. The Committee recommended that, in future, the basis for establishing additional posts should be made clear. The rate of the mission subsistence allowance for international staff was being calculated at $72 rather than $116 per day because accommodation was being provided free of charge, as explained in paragraph 4 of the annex to the report (A/C.5/54/53).

13. It would be recalled that the Security Council, by resolution 1237 (1999) had established an independent panel of experts to investigate violations of the measures imposed by the Council against União Nacional para a Independência Total de Angola (UNITA) in resolutions 864 (1993), 1127 (1997) and 1173 (1998). Following the submission of the panel's report, the Security Council, in paragraph 3 of resolution 1295 (2000), had requested the Secretary-General to establish a monitoring mechanism composed of up to five experts for a period of six months from its effective entry into operation to collect information on alleged violations through investigation of relevant leads, including those initiated by the panel of experts, and visits to relevant countries.

14. The resource requirements for a monitoring mechanism comprising five experts for six months were estimated at $710,600 (A/C.5/54/57, para. 4). The Committee recommended that the General Assembly should approve a charge of $710,600 against the provision of $90,387,200 for special political missions under section 3, Political affairs, of the programme budget for the biennium 2000-2001.

15. Should the General Assembly approve both charges, the total charge against the provision for special political missions would amount to $66,074,600, leaving an uncommitted balance of $24,312,600.

16. **Ms. Buergo Rodríguez** (Cuba) said that her delegation supported the recommendations of the Advisory Committee but felt that the General

Assembly should have a much more active role in considering issues related to the implementation and financing of activities mandated by the Security Council and funded through the regular budget. She hoped that the Fifth Committee would find time to consider that question. In the meantime, she would like to know what amount of the total under section 3 of the programme budget related to Security Council mandates.

17. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation seconded the comments made by the Advisory Committee concerning the mandate of the Fifth Committee to make recommendations about level of resources, including staff. He hoped that the relevant bodies would take due note.

18. Since the lower subsistence allowance was based on the assumption that accommodation would be provided free of charge, he wondered whether there was sufficient accommodation to provide for the extra forces under the expanded mandate.

19. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the premises provided by the Government of Angola were at present only 25 per cent occupied. There should be room for the additional personnel authorized under the current mandate, so that the mission subsistence allowance could remain at the rate of $72. Should the mandate be further expanded, the question would, of course, come before the Committee again.

20. In response to the question by Cuba, of the total charge of $66,074,600 against the provision of $90,387,200 for special political missions under section 3 (Political affairs) of the programme budget for the biennium 2000-2001, $41,642,800 related to activities mandated by the General Assembly and the remaining $24,431,800 to activities mandated by the Security Council.

21. **The Chairman** suggested that the Committee should recommend to the General Assembly the adoption of the following draft decision:

"*The General Assembly*

"1. *Takes note* of the reports of the Secretary-General (A/C.5/54/53 and A/C.5/54/57 and the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions on the estimates in respect of matters of which the Security Council is seized;

"2. *Approves* the charge of total requirements of $4,556,900 for the extension of the mandate of the United Nations Office in Angola and the monitoring mechanism against the provisions for special political missions under section 3, Political affairs, of the programme budget for the biennium 2000-2001;

"3. *Notes* that following this decision, the utilization of the provisions for special political missions amounts to $66,074,600, and that an unallocated balance of $24,312,600 remains against the provision of $90,387,200 for special political missions."

22. **Mr. Orr** (Canada) asked the Secretariat to clarify the official title of the monitoring mechanism referred to in the draft decision.

23. **Mr. Acakpo-Satchivi** (Secretary of the Committee) said that the phrase "on violations of the measures contained in Security Council resolutions 864 (1993), 1127 (1997) and 1173 (1998)" would be inserted after the words "monitoring mechanism" in paragraph 2 of the draft decision.

24. **Mr. Odaga-Jalomayo** (Uganda) asked whether the statement made by the Chairman of the Advisory Committee would be issued as an official document. If so, the Committee should state, in its decision, that it endorsed the observations and recommendations of the Advisory Committee, instead of merely taking note of them, and should add that it requested their implementation by the relevant bodies.

25. **Ms. Buergo Rodríguez** (Cuba) said, with respect to the status of the report of the Advisory Committee, that the current situation exemplified the problems that arose when the Advisory Committee presented its reports orally to the Fifth Committee. Although she understood that that procedure was sometimes necessitated by the speed with which the Advisory Committee's reports were required, she hoped that the report which the Chairman of the Advisory Committee had just presented orally would be issued in document form.

26. **The Chairman** said that the statement made by the Chairman of the Advisory Committee would be circulated as an official document.

27. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) suggested that, instead of requesting the relevant bodies to implement the Advisory Committee's recommendations, the Fifth Committee should request the Secretary-General to draw the relevant observations of the Advisory Committee to the attention of the President of the Security Council.

28. **The Chairman** said she took it that the Committee wished to adopt the draft decision, incorporating the amendments proposed by the delegations of Canada and Uganda and by the Chairman of the Advisory Committee.

29. *It was so decided.*

Resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on the Least Developed Countries (A/54/7/Add.14; A/C.5/54/58)

Programme budget implications of draft resolution A/54/L.82 (A/54/7/Add.14; A/C.5/54/59)

30. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the review of the resource requirements for the high-level international intergovernmental event on financing for development and the Third United Nations Conference on the Least Developed Countries (A/54/7/Add.14), said that paragraphs 2 to 7 of the report dealt with the Third United Nations Conference on the Least Developed Countries. The requirements for the preparatory activities and for the Conference itself were estimated at $1,164,500 and $500,500, respectively, to implement the decisions taken previously by the General Assembly on the recommendation of the Second Committee and the Advisory Committee. The Secretary-General had reported that travel requirements for the participation of two government representatives from each least developed country in the first session of the Preparatory Committee would amount to $582,000 and that an amount of $113,000 was available from the Trust Fund for the Participation of Least Developed Countries in Intergovernmental Meetings (A/C.5/54/58, paras. 3 and 4). Paragraph 4 of the Advisory Committee's report indicated how the Secretary-General intended to handle the balance of the requirement, which amounted to $469,000. In paragraph 5 of its report, the Advisory Committee expressed reservations about the procedure outlined by the Secretary-General. In paragraph 6, it expressed agreement with the Secretary-General's proposal to report to the General Assembly at its fifty-fifth session with respect to the requirements for the second session of the Preparatory Committee and for the Conference itself, which amounted to $1,083,000.

31. Paragraphs 8 to 16 of the Advisory Committee's report concerned requirements related to the high-level international intergovernmental event on financing for development. The Advisory Committee had held a lively debate on that topic. It had taken some exception to the proposed treatment of the additional requirements of $154,500 and had considered that that amount should be subject to the procedures for the use and operation of the contingency fund (para. 15). Lastly, paragraphs 10 to 12 contained a number of observations on the payment of travel expenses for members of the Bureau of the Preparatory Committee.

32. **Mr. Hassan** (Nigeria), speaking on behalf of the Group of 77 and China, said that the Secretary-General's proposal to finance from the regular budget the activities outlined in paragraph 7 of draft resolution A/54/L.82 was consistent with the letter and spirit of the resolution. The Group of 77 and China endorsed the recommendation contained in the final sentence of paragraph 15 of the report of the Advisory Committee (A/54/7/Add.14). However, the proposal contained in paragraph 7 of document A/C.5/54/59 was not consistent with the requirements of General Assembly resolutions 41/213 and 42/211.

33. The Group of 77 and China concurred with the Secretary-General's proposal to use the balance of $113,000 available in the Trust Fund for the Participation of Least Developed Countries in Intergovernmental Meetings for the purposes approved in General Assembly resolution 54/235 (A/C.5/54/58, para. 4). They were deeply concerned, however, at the proposal to use savings on exchange rates achieved in respect of the regular budget appropriation for the United Nations Conference on Trade and Development (UNCTAD) to finance the participation of two representatives of each least developed country in the first session of the Preparatory Committee, representing an amount of $469,000 (A/C.5/54/58, paras. 4 and 6). The proposal was a serious distortion of the budgetary process and was aimed mainly at

having UNCTAD absorb the cost. The required amount of $469,000 should be viewed as going beyond the level of resources appropriated to section 11A and should be subject to the procedures of the contingency fund. The Secretary-General should redouble his efforts to mobilize the extrabudgetary resources that were supposed to finance participation by the least developed countries and report on the outcome of his efforts at the fifty-fifth session of the General Assembly. The Bureau of the Preparatory Committee should be regularly informed of efforts being made to that end. In response to the provisions of paragraph 14 of General Assembly resolution 54/235, he invoked part VI of resolution 45/248 B affirming that the Fifth Committee was the Main Committee of the General Assembly entrusted with responsibilities for administrative and budgetary matters.

34. **Mr. Hamidullah** (Bangladesh), speaking as coordinator of the 48 least developed countries on the question of the Third United Nations Conference on the Least Developed Countries, expressed support for the statement made by the representative of Nigeria on behalf of the Group of 77 and China. The least developed countries were dismayed that, only two months before the first session of the Preparatory Committee, the financing of their participation remained undecided, and that no voluntary contributions had been made during a review in March. The least developed countries had already begun preparations for the Conference, with United Nations support, and the presence of their representatives was necessary in order to reflect the real situation in those countries.

35. Referring to document A/C.5/54/58, he noted the Secretary-General's proposals for utilizing $113,000 from the Trust Fund and drawing on potential foreign exchange savings under section 11A of the budget but wondered to what extent the participation of the least developed countries' representatives could be financed from the contingency fund. His delegation agreed with the proposal to address the question of resources for the participation of representatives of the least developed countries in the second session of the Preparatory Committee at the fifty-fifth session of the General Assembly (A/C.5/54/58, para. 7). However, in view of the shortfall in extrabudgetary resources, it might be necessary for the Secretary-General to request fresh commitment authority for that purpose.

36. **Ms. Buergo Rodríguez** (Cuba) said that her delegation fully associated itself with the statement made on behalf of the Group of 77 and China. It attached particular importance to the meetings referred to in the Secretary-General's report (A/C.5/54/58) and felt that the Fifth Committee should take a practical decision to ensure that all the necessary resources were made available to enable representatives of least developed countries to take part in those meetings.

37. She was deeply concerned about the proposals by the Secretary-General which departed from the provisions of General Assembly resolutions 41/213 and 42/211, especially in relation to the Third United Nations Conference on the Least Developed Countries. She asked how the Secretariat justified the recent tendency to depart from established procedures by postponing the financing of activities requiring additional regular budget resources and subsequently addressing those requirements in the context of the performance report and charging them against the contingency fund. It would be useful to know the current balance of the contingency fund. In that connection, she drew attention to the recommendation contained in paragraph 15 of the Advisory Committee's report (A/54/7/Add.14). Lastly, she was concerned about the observations contained in paragraph 10 of that report, since they seemed to call into question the decision taken by the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development as to how the resources in question were to be provided. Paragraph 7 of draft resolution A/54/L.82 could in no case set a precedent for the use of regular budget resources for the purposes envisaged therein.

38. **Mr. Repasch** (United States of America) said that his delegation attached great importance to the conferences under consideration. With respect to the indication, in paragraph 3 of the Advisory Committee's report (A/54/7/Add.14), that a total of $582,000 would be required for the participation of representatives of least developed countries in the first session of the Preparatory Committee, he asked for clarification of the basis for budgeting that amount. The indication, in paragraph 5 of the report, that the Secretariat had not replied to the Advisory Committee's enquiries as to the possibilities for the use of the contingency fund was somewhat mysterious, as it could reflect either reticence on the part of the Secretariat or a lack of assertiveness on the part of the Advisory Committee.

Lastly, he asked which paragraphs of General Assembly resolutions 41/213 and 42/211 had formed the basis for the observations contained in paragraph 15 of the Advisory Committee's report.

39. **Mr. Orr** (Canada) said that his delegation also strongly supported the two international conferences. However, the documents under consideration provided very little information as to why no provision had been made in the budget previously for the costs of those conferences. The conferences and the budget for the biennium 2000-2001 had already been approved, yet it seemed that every time the Committee held a formal meeting, it received requests for more money.

40. He shared the views of the Advisory Committee and the delegations of Nigeria and Cuba on the $700,000 in savings on exchange rates (A/54/7/Add.14, para. 4). It was inappropriate to single out a specific currency gain, which might not last, in a given budget section. While he appreciated the Secretariat's efforts to find inventive ways to finance the high-level event, he felt that that method was too inventive.

41. With respect to the amount of $154,500 for the travel of members of the Bureau of the Preparatory Committee for the high-level event, and the indication contained in paragraph 16 of the Advisory Committee's report, he asked how often the provisions of General Assembly resolution 1798 (XVII) of 11 December 1962 had been waived. He also wondered whether the amount of $154,500 made provision for the travel of all members of the Bureau, since some members came from developed countries and did not require reimbursement of such costs.

42. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the proposals for the payment of travel expenses for representatives of least developed countries to the Preparatory Committee meetings, the first of which would take place in July 2000, had arisen in the discussions of the Fifth and Second Committees on arrangements for the Third United Nations Conference on the Least Developed Countries. That had been one of the unresolved issues which had been deferred from the Fifth Committee's deliberations on the programme budget for 2000-2001 during the main part of the fifty-fourth session. Resources for that purpose had been included in the Secretary-General's initial budget proposal in relation to the Conference and had been augmented during the fifty-fourth session as a result of requirements arising from draft resolutions adopted by the Second Committee; the related statements of programme budget implications had been submitted to the Fifth Committee, but the latter had been unable to take a final decision on the funding of those additional requirements.

43. In paragraph 14 of its resolution 54/235, which it had adopted on the report of the Second Committee, the General Assembly had decided to defray the cost of the participation of two government representatives from each least developed country in the meetings of the Preparatory Committee and the Conference itself through the use of extrabudgetary resources, and, in the event that those resources proved to be insufficient, had requested the Secretary-General to consider all other options, including the use of unspent balances from the regular budget for the biennium 1996-1997 as an exceptional measure. At the first part of the resumed fifty-fourth session, the Fifth Committee had learned that the appeal made by the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) for contributions of extrabudgetary funds had been unsuccessful. Consequently, it had deferred the issue to the second part of the resumed session, which was its last opportunity to take action to meet the requirements of resolution 54/235, paragraph 14, prior to the first Preparatory Committee meeting in July.

44. The Secretariat had found that some $113,000 remained from previous conferences, as indicated in paragraph 3 of the Advisory Committee's report. Given the necessity of meeting the requirements of resolution 54/235, the Secretariat had looked carefully at the implementation of the current biennial budget to determine whether there was any flexibility within existing appropriations to accommodate the remaining $469,000. Exchange rates had been particularly favourable in the first five months of 2000, and the amount of savings projected had been based on the amounts actually saved from January to April 2000 and projected for May. While that procedure was unusual, it had been followed because the General Assembly had requested the Secretary-General to consider all options, because the first session of the Preparatory Committee was fast approaching and because some Member States had taken the position that there should be no additional regular budget appropriations for the financing of those travel costs. Nonetheless, he fully understood the concerns expressed about the need to

adhere to General Assembly resolution 41/213 and the Advisory Committee's recommendation that a more conservative approach should be taken.

45. General Assembly resolution 54/251, section VI, indicated that the balance of the contingency fund was $16,362,700. With respect to the last sentence of paragraph 5 of the Advisory Committee's report, the Secretariat had indicated, in oral hearings with the Advisory Committee, that there would be no need to draw upon the contingency fund in connection with travel expenses; however, it had not had time to comply with the Advisory Committee's request for a written reply. With respect to General Assembly resolution 1798 (XVII), most of the very rare instances in which waivers had been granted had concerned the payment of travel expenses in connection with the preparation and holding of major conferences. Usually, extrabudgetary funds were made available to support those waivers; the use of regular budget funds in that connection was even rarer and was granted only for the travel of representatives of least developed countries to the sessions of the General Assembly and for the travel of participants in the functional commissions of the Economic and Social Council, since such travel was excepted from the restrictions laid down in resolution 1798 (XVII). In the case of meetings of subsidiary organs of the General Assembly, the provisions of that resolution were rarely waived.

46. **Ms. Buergo Rodríguez** (Cuba) expressed concern at the nature of the Secretariat's proposal, which represented a departure from current budgetary procedure. She wondered why no consideration had been given to drawing on the $16 million contingency fund within the regular budget, consistent with the practice established by the General Assembly. She also noted with concern that in recent General Assembly resolutions, conditionalities had been attached to making use of the contingency fund in similar cases.

47. **Mr. Abdalla** (Libyan Arab Jamahiriya) expressed support for the remarks made by the representative of Cuba. It was truly ironic that the needs of the least developed countries had been highlighted at all the recent major global conferences, and yet the Secretariat could not draw on a $16 million contingency fund to enable representatives of those countries to participate in preparations for their own conference. While his delegation appreciated the Secretariat's innovative approach to securing resources, reliance on foreign exchange gains seemed risky. The Organization should find ways and means of financing a very important conference for the least developed countries, just as it had found ways and means of financing other initiatives. Similarly, representatives of developing countries had actively promoted and worked for the convening of a high-level international intergovernmental event on financing for development; the $154,000 required for their travel to the sessions of its Preparatory Committee should be financed from the contingency fund.

Other matters

48. **The Chairman** said that the Secretary of the Committee had received from the representative of Portugal, acting on behalf of the European Union, a request for the distribution of existing documentation on the current methodology of the peacekeeping scale of assessments, including document A/C.5/52/38 and General Assembly resolution 53/211. Upon consultation with the Legal Office, she had been informed that it was entirely appropriate to circulate those documents.

49. **Ms. Buergo Rodríguez** (Cuba) said that her delegation appreciated the clarification, since it had questioned the basis for distributing the documents, which did not fall under any agenda item before the Committee and dealt with a sensitive issue. Moreover, the Bureau had not participated in the decision to distribute them.

50. **Mr. Nakkari** (Syrian Arab Republic) said that, in view of the sensitivity of the matter, it was inappropriate to distribute documents bearing the symbol of the United Nations without indicating that they had been requested by the European Union. It was not the first time that such distribution, which gave the impression that the decision had been taken by the Bureau and the Fifth Committee, had taken place. It was to be hoped that greater discretion would be used in future.

51. **Mr. Yussuf** (United Republic of Tanzania) expressed concern at the manner in which information had been imposed on the Committee — information which it had not requested and did not need. In all his years at the United Nations, he had never witnessed a similar action, which was unethical and could be viewed as an attempt to initiate discussion of the issue prematurely.

The meeting rose at noon.

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Summary record of the 64th meeting
Held at Headquarters, New York, on Monday, 15 May 2000 at 10 a.m.

Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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00-43162 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 117: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

(a) United Nations peacekeeping operations (*continued*) (A/54/5 (Vol. II), A/54/748 and A/54/801)

1. **Mr. Woodward** (Board of Auditors), introducing the report of the Board of Auditors on the audit of United Nations peacekeeping operations for the 12-month period from 1 July 1998 to 30 June 1999 (A/54/5 (Vol. II)) on behalf of the Chairman of the Board, listed some of the Board's major findings and recommendations.

2. The Board had found that claims by troop-contributing countries totalling $320.8 million had not been recorded in the accounts, mainly because funds had not been reserved to settle the claims. The periodic review of unliquidated obligations which had been recommended by the Board had led to savings of $389.3 million as a result of the cancellation of unliquidated obligations for prior and current periods. The establishment of a global procurement planning process, which had also been recommended by the Board, had resulted in savings of $802,000 during the 12-month period ending 30 June 1999. Lastly, the Board could not confirm the accuracy of the information on the final disposition of assets of the United Nations Observer Mission in Liberia (UNOMIL) owing to the absence of relevant supporting documentation.

3. The Board's recommendations to address those particular findings were that the Office of Programme Planning, Budget and Accounts should ensure that all expenditure relating to a financial period was captured in the accounts and that the Office and the Department of Peacekeeping Operations should improve their coordination to ensure accurate financial reporting. It also recommended that the Department of Peacekeeping Operations should explore additional areas for global procurement planning and take action to locate the relevant asset disposition records of UNOMIL and ensure that in future such records were made readily available for audit review.

4. The Board had reviewed the status of implementation of its recommendations for the financial periods ending 30 June 1997 and 30 June 1998 and had confirmed that there were no outstanding matters in respect of its report on the 18-month period ending 30 June 1997.

5. The Board had also taken note of the request contained in the report of the Advisory Committee (A/54/801) that it should monitor on a regular basis the special audits that had been requested by the General Assembly and report to the Assembly through the Advisory Committee, as appropriate, on the implications of such ad hoc requests for its ability to set audit priorities, including having sufficient lead time for the preparation of audit reports. The Board appreciated the Advisory Committee's sentiments and would endeavour to comply with its request.

6. The Advisory Committee had also expressed concern at the large overdue amounts related to staff and non-staff activities; the Board would follow up on that matter in its next audit.

7. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/54/801), welcomed the timely submission to the Advisory Committee of the Board's report, which had facilitated its review of the peacekeeping budgets.

8. ACABQ requested that the Board of Auditors should monitor the workload that resulted from requests for special audits and report to the General Assembly through the Advisory Committee, as appropriate, on the Board's ability to set audit priorities, including having sufficient lead time for the preparation of special audit reports (para. 4). The Advisory Committee drew attention to the Secretariat's practice regarding reimbursement to troop-contributing countries for personnel and equipment and for death and disability claims (para. 7). With regard to inventory management, the Board's finding indicated that more needed to be done to address the weaknesses that had been identified in previous reports. While there had been some improvement in procurement practices, the Board had identified a number of shortcomings that needed further attention. In that connection the Advisory Committee requested the Secretary-General to submit to the General Assembly a comprehensive report on the use of the field assets control system and the extent to which it had benefited

procurement and the management of peacekeeping assets (para. 21).

9. The Advisory Committee also commented on the Board's findings on the selection, clearance and placement of civilian police personnel (para. 22). Those comments should be read in conjunction with the Advisory Committee's observations in its report on the support account for peacekeeping operations (A/54/832) and on the financing of the United Nations peacekeeping operations (A/54/841).

10. The Advisory Committee expressed its dissatisfaction (para. 14) with the action that the Administration had taken so far concerning the Board's audit finding regarding the loss of laptop computers in the United Nations Verification Mission in Guatemala (MINUGUA). In view of the Board's conclusion the Advisory Committee requested that the circumstances leading to the loss of the laptops should be fully investigated.

11. The report of the Secretary-General on the Guidelines for Internal Control Standards (A/54/427) had been submitted in accordance with General Assembly decision 53/455. The Advisory Committee noted that the Secretariat intended to implement its recommendation.

12. **Mr. Ramos** (Portugal), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, and, in addition, Norway, said that the late submission of documentation had again hindered the Committee's work. Audit was an important oversight function, and the European Union was pleased that the recommendations of the Board of Auditors for the period ending 30 June 1997 had been fully implemented, but noted that the Board had not always been provided with all necessary information to fulfil its mandate, in the discharge of which it should be assisted by the Secretariat.

13. Turning to specific recommendations, the European Union shared the view of the Advisory Committee that greater use should be made of technology in introducing a more efficient method of clearing and dealing with inter-office vouchers. It noted with concern that management in peacekeeping missions was failing to enforce a recovery policy to obtain from staff monies owed to the Organization, and underlined that management and staff bore equal responsibility for ensuring compliance with the relevant financial rules.

14. The European Union noted with concern the lack of progress in inventory management in peacekeeping operations and saw a need to reduce the risk of loss and excessive or unnecessary acquisitions. It concurred with the Advisory Committee that the asset module of the field assets control system would greatly improve the ability of managers to control and audit mission inventories. An effective and efficient system of control over assets used or transferred by missions should result in savings to the Organization. An essential prerequisite for efficient management of resources was the training of staff, and the European Union shared the Board's view on the reintroduction of training for chief administrative officers, accompanied with an obligation for mobility to serve in peacekeeping missions.

15. Finally, civilian police were a crucial element of modern operations. Requirements in the field underlined the need for the utmost care in the selection process, which was the responsibility both of Member States and the Secretariat.

16. **Mr. Christian** (Ghana) said that Ghana would cease to be a member of the Board of Auditors in June, after 24 years of service. He paid tribute to the hard work and devotion of the Ghana Audit Service in making its contribution to the efficiency and effectiveness of the Board.

17. His delegation was pleased to note the progress made in ensuring that the monitoring and reconciliation of inter-office vouchers took place on a more regular basis. It was gratifying that inter-office transactions pending processing in respect of peacekeeping operations had been significantly reduced from a debt balance of $24.3 million as at 30 June 1998 to $2.4 million as at 30 June 1999 and that the Administration had also reduced the credit balance in respect of inter-office vouchers pending processing over that period. The amount of procurement that could be handled by field missions under delegated authority had been increased to $200,000, yet only three of the nine field missions examined by the Board had prepared procurement plans, which had resulted in the purchase of similar items piecemeal. His delegation strongly urged that planning based on the Procurement Manual should be given proper attention by field missions in order for economies of scale to be achieved.

18. The Board had advised that the practice of procuring items under free-on-board contracts should be reviewed to ensure consistency with the Financial Rules and the Procurement Manual, and the Advisory Committee had commented on that topic in its report (A/54/801). His delegation noted with concern, however, that some peacekeeping missions had failed to submit evaluations of the performance of suppliers whose contracts exceeded $200,000, as required. It therefore endorsed the Board's recommendation that all field missions should comply with established procedures for reporting on the performance of vendors and contractors.

19. His delegation expressed concern at the lapses reported in the liquidation of peacekeeping missions. Special attention should be taken to ensure that established rules, regulations and procedures were enforced.

20. **Mr. Orr** (Canada) said that the timeliness of the issuance of the report of the Board of Auditors (A/54/5 (Vol. II)) — circulated just one week prior to its consideration by the Committee and less than two months before the end of the current financial period for peacekeeping operations — needed to be dramatically improved in order for Member States to properly evaluate the detailed information provided. While his delegation appreciated the complexity of the tasks of preparing the financial statements, translating the document and auditing the various missions around the world, in order to ensure proper consideration future reports should be issued in early April of each year, particularly in the light of the dramatic increase in peacekeeping activity in the current and forthcoming financial periods.

21. His delegation was disturbed by the Board's finding that claims totalling $320.8 million submitted by 53 troop-contributing countries had not been recorded in the accounts. It concurred with the Advisory Committee's view that the non-recognition of such claims was a serious deficiency that needed urgent attention and looked forward to the report requested by the Advisory Committee on the practice of the United Nations regarding accounts payable and contingent liabilities. The report should examine the impact of the delay in the certification of claims submitted by troop-contributing countries. It was a generally accepted principle that disclosure in the notes to the financial statements was not a substitute for proper accounting treatment. It would be interesting to know how the Board had been able to issue an unqualified opinion on the financial statements given the material omission.

22. The Board noted that $389.3 million in unliquidated obligations had been cancelled during the financial period. While his delegation welcomed the reduction in liabilities, it wondered why the Board had not raised the question in previous years and what sort of audit procedures it used to examine the validity of the nearly $700 million in unliquidated obligations recorded in the accounts as at 30 June 1999.

23. His delegation noted from the information provided in statement I that income had exceeded expenditure by some $88 million, or nearly 10 per cent of total assessments, over the period from 1 July 1998 to 30 June 1999. While the excess had declined dramatically from nearly $135 million in the previous period, the consistent overbudgeting was a matter of concern to his Government, especially since Canada paid its assessments in full, on time and without conditions. The Board should investigate the reasons for the chronic overbudgeting and make appropriate recommendations.

24. The Board should also consider whether its report should focus more on the overall management issues involved in peacekeeping operations in order to facilitate the governance role of the Fifth Committee. The report could be shorter if more information, including information relating to the recording of inter-office vouchers, the coding of the Integrated Management Information System (IMIS) system and the recovery of accounts receivable, was conveyed in management letters. One of the broader management issues on which the Board should concentrate was the timely staffing of operations, including the timely articulation of staffing requirements, effective communication of those requirements and prompt recruitment of staff. Such issues were of crucial importance now that the Organization had been tasked with a number of new peacekeeping operations.

25. **Mr. Repasch** (United States of America) said that his delegation, too, regretted the late issuance of the report of the Board of Auditors, which had not left it enough time to review the report and obtain clearance for a statement on its contents.

26. The Board's finding that $320.8 million in claims had not been recorded in the accounts reflected a breakdown in the system. His delegation noted that the Administration had established a global procurement

planning process and had prepared a plan for selected major operational requirements identified from the budgets of individual missions and that use of the global plan had resulted in savings of $802,000 for the period in question. At the same time, however, the Board had found that six of the nine peacekeeping missions which it had examined had not been guided by any procurement plan and that, as a result, similar items had been purchased on a piecemeal basis. Measures should therefore be taken to further improve the procurement process.

27. The Board had also found that there had been an increase in the number of civilian police repatriated, partly as a result of failing the English language or driving tests or for medical reasons. Given the dire need for staff in the various missions, the Secretariat should provide information on what was being done to improve that record.

28. Turning to the report of the Advisory Committee (A/54/801), he was pleased to note that the Administration had implemented all the recommendations of the Board of Auditors for the 18-month period ending 30 June 1997 and that there were no outstanding matters. That achievement was due to the good work that had been done by the Board and was a reflection of the seriousness with which the Secretariat, and the Department of Peacekeeping Operations in particular, treated the Board's findings and recommendations.

29. His delegation noted that the Advisory Committee had requested that it be provided with the results of the proposed review of the United Nations accounting standards by the Consultative Committee on Administrative Questions (CCAQ). The Secretariat should inform the Committee of the current status of that review.

30. The Advisory Committee had also expressed concern at the large overdue amounts relating to staff and non-staff activities as a result of management's failure to enforce the recovery policy. The Secretariat should explain why a more proactive approach to the recovery of legitimate charges was not being adopted.

31. His delegation would welcome information on the current status of the investigations into the circumstances leading to the loss of laptop computers in the United Nations Verification Mission in Guatemala (MINUGUA). It would also welcome the views of the Secretariat on the Advisory Committee's recommendation that consideration be given to issuing the Procurement Manual in other official languages of the United Nations. The Manual was a purely internal document for use by the staff of the Secretariat and he could not see the usefulness of having it translated into other languages of the Organization.

32. The Advisory Committee had noted with concern that a fraud case in the United Nations Mission in Bosnia and Herzegovina had gone on for over two years, even though there had been a resident auditor in the Mission. The Secretariat should address the internal control weaknesses that had permitted the fraud to be perpetrated and report on the measures that it had taken to bring to account the other officials with responsibility for overseeing internal controls.

33. **Mr. Halbwachs** (Controller) said that he would respond at a later stage to the points raised by the various delegations.

34. **Mr. Woodward** (Board of Auditors), replying to the questions raised by delegations, said, with regard to the date of issuance of the report of the Board of Auditors (A/54/5 (Vol. II)), that the Board had responded to the Advisory Committee's request for earlier issuance of the report so that it would be available for its consideration of the budget of the Department of Peacekeeping Operations. The report had been delivered to the Advisory Committee on 28 January 2000. The time required for translation into the other five official languages of the Organization and issuance of the completed document had occasioned the subsequent delay. He agreed, however, that the Board should address the concerns that had been raised.

35. As to why the amount of $320.8 million had not been reflected in the financial statements as accounts payable, that was a very complex area and the Board itself had been slowly uncovering the full picture. It noted that in some cases claims by troop-contributing countries that had not yet been assessed were reflected as contingent liabilities, while in others they were not. Also, some amounts that had been assessed were reflected as accounts payable, while others were not. The Board's aim was to ensure that the financial statements presented a full picture of outstanding claims. The amount in question was not reflected in the report because the United Nations accounting system did not permit claims to be recognized unless the budget provided funds with which to pay them. The

Board would review the presentation of claims in the financial statements.

36. On the subject of unliquidated obligations, each year the Board inevitably uncovered unliquidated obligations that were no longer needed. The Board therefore sought to verify that all such obligations were still valid. It was a matter to which it would draw the Secretariat's attention.

37. Concerning the suggestion that the Board's report could be shortened if some material were included in management letters, it was a matter of judgement to decide which issues would be of interest to governing bodies. The Board would keep the suggestion under review and would include in management letters material which in its view would not be of interest to the Committee.

38. Lastly, the Board would take up the questions of staffing needs and the recruitment process when it met in June 2000.

Agenda item 118: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Guidelines for Internal Control Standards (A/54/427)

39. **Mr. Repasch** (United States of America) said that when the issue of guidelines for internal control standards had first been raised, his delegation had believed that it was reasonable to expect an international organization such as the United Nations to observe the Guidelines established by the International Organization of Supreme Audit Institutions (INTOSAI). It had disagreed with the view of the Advisory Committee that the standards were too general to be useful, believing that they should be applied to all staff, considering the many problems which had arisen related to internal controls.

40. **Mr. Orr** (Canada) said that a number of issues would have been avoided if the INTOSAI Guidelines on controls and separation of duties had been put into place. He asked what impact the implementation of those standards might have on the update of the Financial Regulations and Rules.

41. **Mr. Ramos** (Portugal), speaking on behalf of the European Union, said that the European Union concurred with the United States and Canada and agreed that the Guidelines should be integrated into United Nations rules.

42. **Mr. Connor** (Under-Secretary-General for Management) said that the revision of the Financial Regulations and Rules was nearing completion. The INTOSAI Guidelines had not been incorporated, and thus would have no impact on the revision.

43. **Mr. Repasch** (United States of America) said that there would seem to be some value in incorporating the Guidelines into the rules and regulations and asked what would be needed in order to accomplish their incorporation.

44. **Mr. Connor** (Under-Secretary-General for Management) said that the Secretariat had attempted to incorporate the Guidelines into the text of the rules and regulations in language that would distinguish them from more specific rules. Its format for doing so had not found favour with the Committee, however.

45. **Mr. Ramos** (Portugal) said that the European Union favoured incorporation and would like the Committee's decision on the subject to reflect that fact.

46. **Mr. Orr** (Canada) suggested that the Committee could endorse the recommendations of the Secretary-General in document A/52/867, paragraph 11.

47. **The Chairman** said that the text of a draft decision would be submitted to the Committee for its consideration at a future meeting.

The meeting rose at 11.10 a.m.

United Nations A/C.5/54/SR.65

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Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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(a) Financing of the United Nations peacekeeping operations (*continued*)

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00-43431 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 151: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/C.5/54/55)

(a) Financing of the United Nations peacekeeping operations (*continued*)

Support account for peacekeeping operations (A/54/797, A/54/800 and A/54/832)

Reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/54/765, A/54/795 and A/54/826; A/C.5/54/49)

Review of the rates of reimbursement to the Governments of troop-contributing States (A/54/763 and A/54/859)

Financing of the United Nations Logistics Base at Brindisi (A/54/30, A/54/711, A/54/733 and A/54/841 and Add.8)

1. **The Chairman** drew attention to a letter dated 13 April 2000 from the Permanent Representative of the United States, which had been issued as document A/C.5/54/55.

2. **Mr. Halbwachs** (Controller) introduced the report of the Secretary-General on the support account for peacekeeping operations (A/54/797), which contained the financial performance report of the support account for the period from 1 July 1998 to 30 June 1999. Against a budget of $34,400,000, expenditures had amounted to $32,821,600, resulting in an unutilized balance of $1,578,400. The unutilized balance was largely due to savings realized under staff costs because of the high vacancy rate in the Department of Peacekeeping Operations (DPKO), which was the result of the phasing out of gratis personnel and the constant turnover of staff to peacekeeping missions.

3. During the reporting period, further progress had been made in the treatment of death and disability claims. As at 19 May 1997, a backlog of 564 claims had awaited processing. A further 1,219 claims had been received, while 1,498 claims had been processed, leaving 285 claims awaiting processing. It was envisaged that the backlog would be eliminated by 30 June 2000. The speeding up of the processing of death and disability cases by DPKO had led to a corresponding increase in the workload of the Medical Services Division with respect to the review and certification of those claims. In order to allow the Division to process the backlog, it had been provided with general temporary assistance funds. The Accounts Division had also received general temporary assistance funds to enable it to overcome the backlog in the processing of inter-office vouchers and the reconciliation of statements in the Peacekeeping Accounts Section. As at 30 June 1999, sufficient progress had been made in dealing with the backlog and the continuation of general temporary assistance funds had not therefore been requested.

4. The Peacekeeping Financing Division had implemented a self-evaluation mechanism designed to review the budgetary preparation and review process. As a result of that exercise, the process had been streamlined and provision had been made, for the first time, for direct participation by mission chief administrative officers. In addition, there had been improvements in the content, format and presentation of the performance reports and proposed budgets of individual peacekeeping operations, as indicated in paragraph 13 of the report, and in the timeliness of their submission to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the General Assembly. Regarding procurement, the increased use of institutional contract agreements had led to significant savings under individual mission budgets resulting from lower unit prices for large-volume items such as vehicles and electronic data-processing equipment. Towards the latter half of the reporting period, the Secretariat had been faced with the challenge of planning for new and expanding peacekeeping operations, which had led to a significantly increased workload, particularly in DPKO.

5. With respect to the support account proposals for the period from 1 July 2000 to 30 June 2001 (A/54/800), he said that resource requirements were estimated at $51,736,600 gross ($44,189,100 net), which would provide for 471 posts, including four new posts. The amount proposed represented an increase of $13,347,900 compared with the amount approved for the current period (1 July 1999 to 30 June 2000), which was largely due to a first-time provision for staff assessment, made pursuant to a recommendation of ACABQ, and to the 12-month cost of the 67 additional

support account posts approved by the General Assembly in its resolution 54/234. The increase also reflected the establishment of new peacekeeping missions in Kosovo, East Timor, Sierra Leone and the Democratic Republic of the Congo and the extension of the mandate of the United Nations Mission in the Central African Republic (MINURCA). With the dramatic increase in peacekeeping activity, the requirements for backstopping peacekeeping operations had also increased substantially. However, while the initial total estimated budget level for all peacekeeping operations, including the support account, had risen from $644 million for the current period to around $2 billion for the period from 1 July 2000 to 30 June 2001, the level of resources allocated to the support account, as a percentage of that total, had diminished.

6. The Secretariat had undertaken a comprehensive review of the concept of the rapidly deployable mission headquarters pursuant to the request made in General Assembly resolution 53/12 B, taking into account the recent changes in the nature and scope of peacekeeping. It had concluded that the original concept of the rapidly deployable mission headquarters, which assumed that only one mission at a time would be established requiring only a limited range of expertise, did not meet the requirements of current peacekeeping operations. It had therefore decided to adjust the concept with the objective of ensuring the rapid deployment of a wide variety of expertise, including military. The revised system for rapid deployment would utilize the expertise of the United Nations Secretariat and system of agencies and programmes, Member States and non-governmental organizations. It would include political, military, civilian police and a broad range of civilian experts and logistic and administrative personnel. The modus operandi of the system would be based on arrangements with Member States and relevant organizations for the immediate release, upon the establishment of a peacekeeping operation, of individually pre-selected personnel, who would be deployed for a period of 60 to 90 days. More permanent personnel would replace them as soon as they could be deployed. Under the revised rapid deployment concept, the Rapid Deployment Management Unit would comprise four posts, namely head of office (P-5), humanitarian officer (P-4), civilian police officer (P-4) and one General Service staff. The P-5 post and the General Service post were new.

7. With respect to the Office of Operations, it was proposed, in paragraph 87 of the budget document, to upgrade the regular-budget post of Director of the Europe and Latin America Division from D-1 to D-2 in order to reflect the significant increase in the workload of the Division.

8. The note by the Secretary-General on reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/54/795) contained comments and observations on the recommendations made in the report of the Phase V Working Group on reform procedures for determining reimbursement of contingent-owned equipment, which had been issued as document A/C.5/54/49. The Working Group had met during the week of 24 to 28 January 2000 to conduct the periodic review of the phase II and phase III standards pursuant to General Assembly resolution 49/233. It had proposed a methodology for the periodic revision of the rates in major equipment, self-sustainment and special cases. In addition, it had adopted the Secretariat's proposal on medical support services with the amendments contained in paragraph 86 of its report. Owing to time constraints and the lack of availability of sufficient data from troop-contributing countries, the Working Group had been unable to develop new rates for major equipment and self-sustainment categories. It had therefore recommended that a post-Phase V Working Group, open to all Member States, should be convened in January or February 2001 to validate the methodology by which revised rates would be determined and to develop the new rates.

9. Turning to the report of the Secretary-General on review of the rates of reimbursement to the Governments of troop-contributing States (A/54/763), he said that the General Assembly, in its resolution 51/218 E, had requested the Secretary-General to carry out a new survey of troop-contributing States and to include in the related report a complete analysis of all services being provided to troops, together with an indication of the rationale for the provision of each service and how those services were administered and accounted for. For the purposes of the survey, cost information based on military salary scales in effect as of December 1996 had been requested from 64 Member States providing troops and military observers to United Nations peacekeeping operations at that time. A list of those States was contained in annex I to the report. Of the 38 replies received, 31 had been in

conformity with the guidelines, including 26 submitted by troop-contributing States. The cost information provided by those States was contained in annexes II.A, II.B and III to the report. The average of the 26 reported costs for pay and allowances for troops in December 1996 ranged from $774 to $10,778 per person per month, with an overall average of $3,806 and a median of $2,812. As indicated in annex IV, the overall average absorption factor for 1996 was 53.9 per cent, compared with 32.8 per cent for 1991. It would therefore appear that an upward adjustment of the current rates might be warranted.

10. The report of the Secretary-General on the financing of the United Nations Logistics Base at Brindisi (A/54/711) contained the financial performance report of the Base for the period from 1 July 1998 to 30 June 1999. Expenditures for the period had totalled $6,690,000, against a budget of $7,141,800, resulting in an unencumbered balance of $451,800, which was mainly due to vacancies among the international staff.

11. The proposed budget for the period from 1 July 2000 to 30 June 2001 for the maintenance of the Base was contained in document A/54/733. Estimated requirements for that period amounted to $9,317,400 gross ($8,481,300 net), representing a 25 per cent increase in relation to the apportionment for the current period. The proposed increase reflected rises of 6 and 24.1 per cent in civilian personnel costs and operational costs respectively. Provision for staff assessment was also included pursuant to a recommendation of ACABQ. As to staffing requirements, three additional Field Service posts had been requested in the areas of communications and electronic data processing, which would bring the total number of staff to 106, including 23 international staff and 83 locally recruited staff. Additional resources were requested for the installation of fire safety systems throughout the premises of the Base, the relocation of the satellite equipment to a single building and the purchase of equipment to complete the fibre optic network at the Base. At the same time, reductions were proposed under transport. As indicated in annex III, the Base's concept of operations was being reviewed with a view to expanding the scope of its responsibilities. The review would take into account the experience gained during the Base's first year of operation, in particular its role in supporting the launch of several large and complex new missions at extremely short notice. The outcome of the review would be reflected in the proposed budget for the next period.

12. **Ms. Stern** (Director, Audit and Management Consulting Division), introducing the report of the Office of Internal Oversight Services (OIOS) on the audit of contingent-owned equipment procedures and payments to troop-contributing countries (A/54/765), said that equipment brought to peacekeeping missions by military contingents and leased by the United Nations played a crucial role in the successful outcome of peacekeeping operations. Since contingent-owned equipment and troop contributions were the two largest components of peacekeeping budgets, it was in the Organization's interest to ensure that those activities were managed efficiently and effectively. The audit conducted by OIOS had found that the recent revision of contingent-owned equipment procedures constituted a meaningful reform, which had reduced record-keeping requirements and simplified the reimbursement of claims.

13. However, additional steps were needed to realize the full benefits of the reform. First, DPKO needed to develop time-frames for contingents to convert to the revised procedures. Second, new procedures were needed for reimbursing troop-contributing countries for equipment preparation and inland transport costs that were in line with United Nations financial and procurement rules. Standard reimbursement rates for those categories would simplify the process and ensure more equitable treatment. Third, the contingent-owned equipment verification and reporting system was cumbersome and should be replaced by an exception reporting system.

14. With regard to reimbursement for troop contributions, current procedures for reporting troop strength figures in peacekeeping missions did not provide adequate accuracy or accountability and required improvement. Lastly, DPKO should streamline procedures for recording and processing claims, provide an adequate number of support staff and make additional efforts to ensure that memoranda of understanding with the troop-contributing countries were signed on a timely basis.

15. OIOS was pleased that both DPKO and the Office of Programme Planning, Budget and Accounts had largely accepted its recommendations and taken steps to implement them. She hoped that the General

Assembly's Phase V Working Group on Reimbursement of Contingent-Owned Equipment would take into consideration at its meeting scheduled for January/February 2001 the major issues addressed in the OIOS report, since they concerned matters in which both the Secretariat and the Member States had a stake.

16. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of ACABQ, said that part A of the Advisory Committee's report on the support account for peacekeeping operations (A/54/832) dealt with the financial performance of the support account for the period from 1 July 1998 to 30 June 1999. The Advisory Committee recommended, in paragraph 5, that the balance of $2,179,400 should be applied to the resources required for the period from 1 July 2000 to 30 June 2001. It acknowledged, in paragraph 3, the improvement in the presentation of the performance report, but recommended further refinements.

17. Part B of the Committee report dealt with the cost estimates for the support account, including the Rapid Deployment Management Unit, for the period from 1 July 2000 to 30 June 2001. The Secretary-General estimated support account resources for that period at $51.7 million gross. However, for the reasons indicated in paragraphs 13, 17, 18 and 25 of its report, the Advisory Committee recommended an amount of $50.7 million gross. The observations of ACABQ concerning the relationship between DPKO and the Department of Management (DAM) and the status of the Civilian Police Unit of DPKO were contained in paragraphs 21 and 22 respectively. Additional information on the allocation of responsibilities between DPKO and DAM was provided in annex IV to the report.

18. The Advisory Committee had discussed extensively the proposal for the establishment of a Rapid Deployment Management Unit. In paragraphs 23 to 32 of its report, it set out the reasons for the Secretary-General's proposal, the unit's role and the difference between it and the rapidly deployable mission headquarters. In addition, annex V contained a comparison of the rapidly deployable mission headquarters and the Rapid Deployment Management Unit concepts. The Advisory Committee observed, in paragraph 24, that the non-implementation of the rapidly deployable mission headquarters had not yet been addressed by either the Special Committee on Peacekeeping Operations or the General Assembly and suggested that the Assembly might wish to invite the Special Committee to review the concept of the Rapid Deployment Management Unit. It also identified a number of elements that should be clarified in the context of such a review. The Advisory Committee would revert to the administrative and post proposals for the Unit once the Assembly had reviewed and taken action on the recommendations of the Special Committee.

19. Turning to the report of the Advisory Committee on the financing of the United Nations Logistics Base at Brindisi (A/54/841/Add.8), he said that information on financial performance for the period from 1 July 1998 to 30 June 1999 was contained in paragraphs 3 to 13. As indicated in paragraph 13, a balance of $1,731,800 was available to defray part of the cost of the Base for the period from 1 July 2000 to 30 June 2001.

20. The cost estimates for the Base were reviewed in paragraphs 14 to 31 of the report. An amount of $9.3 million gross was proposed for the maintenance of the Base for the next financial period, while the proposed staffing requirements would be 106 staff. The Advisory Committee recommended acceptance of those requests.

21. The Advisory Committee considered that the Base was becoming a vital instrument for the management of peacekeeping operation activities whether related to new or existing missions. In that connection it welcomed the review of the Base to be conducted by DPKO. The Advisory Committee noted with satisfaction the trend towards exploring the potential capacity for wider use of the Base in the areas of procurement and training. With respect to refurbishment of equipment and trans-shipment of goods to peacekeeping missions, a number of issues needed to be reviewed, as indicated in paragraphs 11 and 12 of its report. As to asset management, the Advisory Committee concluded, in paragraph 28, that the overall objective and benefits of the field assets control system were yet to be achieved. It therefore welcomed the review of the system to be conducted by OIOS. It requested, in paragraph 29, that the conclusions of the review should be taken into account in the preparation of the report requested by ACABQ (A/54/801, para. 21) on the use of the field assets control system and its effect on procurement and the management of peacekeeping assets.

22. With respect to the report of the Advisory Committee on the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/54/826), he drew attention to the recommendations and observations contained in paragraphs 5, 6 and 8.

23. Lastly, regarding the report of the Advisory Committee on the review of the rates of reimbursement to the Governments of troop-contributing States (A/54/859), he said that the results of the review were summarized in paragraph 5. The Advisory Committee suggested, in that paragraph, that the General Assembly might wish to take into consideration the increase of 21.1 per cent over the average absorption factor of 32.8 per cent reported for 1991 and to decide whether an adjustment to the current standard rates of reimbursement for troops was warranted. It also invited the Assembly, in paragraph 8, to provide further guidelines with a view to refining the methodology to ensure that more timely and comprehensive data were provided in order to facilitate such a decision.

24. **Mr. Monteiro** (Portugal), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, said that the European Union remained strongly committed to the primary role of the United Nations in the maintenance and promotion of international peace and security. Peacekeeping operations were one of the core functions of the United Nations and the maintenance of peace and security continued to be its most challenging task, as evidenced by the recent alarming events in Sierra Leone. The most effective administrative and budgetary arrangements for peacekeeping operations should therefore be put in place to provide the Secretariat with the resources and capabilities needed to carry out the mandates entrusted to it by Member States. The European Union strongly supported United Nations peacekeeping missions. In 1999, approximately 6,000 troops and civilian police in peacekeeping missions were nationals of European Union and associated countries.

25. With regard to the specific issues with which the Committee was seized, the European Union was of the view that adequate resources for peacekeeping activities should be provided through both the regular budget and the support account. The Union therefore concurred with the Advisory Committee's recommendation that the establishment of 67 additional temporary posts funded under the support account, over and above the 400 which the General Assembly had approved in resolution 53/12, should be authorized.

26. At the current part of its resumed session, the Fifth Committee should consider measures to improve backstopping arrangements. Many good ideas were already under discussion. The Secretary-General's proposal, in particular, contained a valuable analysis of the changed resource requirements that had been imposed by the most recent generation of peacekeeping operations. Military capability was often no longer the central component. It was becoming increasingly important to identify and rapidly deploy a wider spectrum of capabilities, including civilian administrators. The Secretary-General's proposal for a Rapid Deployment Management Unit was the right response to the changed requirements. Such a Unit would allow the pre-selection of a cross section of expertise from which the Secretary-General could draw as soon as a mission was authorized and would constitute a valuable organizational and operational tool for accelerating mission deployment. The Secretary-General's proposal that the Rapid Deployment Management Unit should substitute for the establishment of a rapidly deployable mission headquarters was an important conclusion. While the concept of the headquarters continued to be relevant to and compatible with the Unit, the European Union nevertheless recognized that the immediate priority must be the identification of military and civilian expertise. The Committee should therefore give sympathetic consideration to making the Unit immediately operational by providing the necessary resources for its establishment.

27. The European Union welcomed the progress made towards implementation of the reformed procedure for determining reimbursement to Member States for contingent-owned equipment. The reformed procedure was far superior to the old one in terms of planning, monitoring and budgeting, and the Union was pleased to note that some of the issues which it had raised in the past had now been addressed by the Secretariat.

28. The European Union supported the thrust of the recommendations made by the Phase V Working Group but regretted the Group's failure to establish new rates of reimbursement. The Union hoped that the current standard of rates would be reviewed by the post-Phase

V Working Group. To that end, Member States should supply the Group with adequate data as early as possible. The Union agreed with the Advisory Committee that the adequacy of the response from Member States should be reviewed before proceeding with the post-Phase V Working Group. It believed that the Secretariat's comments on the report of the Phase V Working Group should be followed up. Lastly, it noted the longstanding requirement for DPKO to establish procedures and time-frames for contingents in current missions to convert to the revised procedures.

29. With regard to the reimbursement of troop-contributing countries, while the European Union welcomed the recent reimbursements which had reduced the amounts due, the high level of unpaid assessed contributions for peacekeeping operations remained an issue of particular concern. Those Member States that did not live up to their obligations under the Charter jeopardized the financial and operational capabilities of peacekeeping operations and made it more difficult for the Organization to ensure timely reimbursement of troop-contributing countries, a situation that was unacceptable.

30. Turning to the report of the Secretary-General on review of the rates of reimbursement to the Governments of troop-contributing countries (A/54/763), the European Union was of the view that the methodology used by the Secretary-General to define the adequacy of rates of reimbursement was in need of substantial improvement.

31. Concerning utilization of the United Nations Logistics Base at Brindisi, the European Union welcomed the recent positive developments, which had made a crucial contribution to the launching of several large new missions and represented a sensible use of the Organization's resources. The question of providing asset management services thanks to technological innovation should be addressed as a matter of priority, especially in view of the new surge in peacekeeping operations that involved high inventory values. The services of the Base should be provided on a cost-sharing basis to the specialized agencies, funds and programmes. In that connection, the recent use of the Base for training activities was welcome. The European Union looked forward to the presentation in the next budget proposal of the results of the Secretariat's review of the concept of operations for the Base during the period 2000-2001.

32. On the subject of the peacekeeping scale, the European Union believed that structural organizational issues should not be divorced from the financing of peacekeeping activities as a core responsibility of Member States, especially given the complexity of the peacekeeping operations currently under way. The peacekeeping scale had long needed a comprehensive revision. The group system, in particular, contained significant anomalies and should be reviewed to take account of Member States' level of economic development, without prejudice to the principle of the special responsibility of permanent members of the Security Council.

33. **Mr. Mbanefo** (Nigeria), speaking on behalf of the Group of 77 and China, supported South Africa's request for relocation from group (b) to group (c) of the contributors to the peacekeeping scale of assessments. That decision should be taken during the Assembly's current session under agenda item 151 (c) and in no case should it be made contingent upon discussions of the scale.

34. The Group of 77 and China wished to place on record their position on the question of the peacekeeping scale of assessments and the financing of peacekeeping operations. Peacekeeping operations were an important function of the United Nations and adequate resources should therefore be provided for all peacekeeping activities. The difficult financial situation of such operations was not linked to the peacekeeping scale of assessments and could be resolved if Member States, and the major contributor in particular, settled their arrears and honoured their obligations under the Charter by paying their contributions in full, on time and without conditions. The scale could not be modified through the imposition of unilateral conditionalities that were contrary to the Charter.

35. The Group of 77 and China believed, moreover, that the principles and guidelines for the apportionment of the expenses of peacekeeping operations approved by the General Assembly in its relevant resolutions should be institutionalized on a permanent basis. Any discussion of the scale should take due account of the economic conditions of the developing countries, in particular the low-income developing countries, and should not adversely affect their current position in groups (c) and (d). The Group of 77 and China supported the position adopted by the Twelfth Summit of the Movement of Non-Aligned Countries and stressed that States members of the Movement and the

Group of 77 and China should be classified in a category that was not higher than group (c). The scale should also take into account the special responsibilities of the five permanent members of the Security Council in the financing of peacekeeping operations. It should not, however, include a new element on the floor or ceiling for permanent members of the Security Council, since such inclusion would be contrary to the principle of capacity to pay.

36. Lastly, discussions on the special scale should not be conducted under pressure of time, and no decision should be taken until the issue was fully deliberated and comprehensively examined by all Member States.

37. **Mr. Powles** (New Zealand), speaking also on behalf of Australia and Canada, welcomed the Secretary-General's initiative in establishing a high-level panel to review all aspects of peacekeeping operations. For the United Nations to discharge its responsibilities, however, there must be sufficient political will among the members of the Security Council to give peacekeeping missions the appropriate mandates and the resources with which to discharge them. Especially in recent times, the Security Council had been guilty of delivering too little too late.

38. Peacekeeping mandates must reflect requirements on the ground and not be shaped by an aversion to risk and avoidance of necessary costs. Financial constraints on peacekeeping operations had seriously impaired the collective responsibility of Member States to maintain international peace and security, a situation that would continue to exist as long as Member States, particularly the largest contributor, failed to fulfil their obligations under the Charter to pay their assessments in full, on time and without conditions. The financial requirements of peacekeeping missions had soared as a result of the upsurge in the number of missions and the new challenges posed by such complex tasks as civilian administration.

39. Improvements were needed in the administration and management of peacekeeping operations, particularly with respect to overbudgeting and the high vacancy rates in certain missions. Bureaucratic procedures should be streamlined in order to improve the planning, staffing and management of peacekeeping missions and to avoid duplication of activities between Headquarters and the field. In that connection, the improvements in financial performance and budget documents were most welcome, particularly at a time of increasingly complex and numerous peacekeeping requirements.

40. The delegations on whose behalf he spoke commended the Phase V Working Group for the improvements it had made to the system of contingent-owned equipment, and in particular the development of a methodology for future rate reviews. Member States should actively participate in the continued enhancement of the new procedures by providing data for the convening of the post-Phase V Working Group.

41. On the subject of the support account, while the Secretary-General's proposal for a Rapid Deployment Management Unit as an alternative to the rapidly deployable mission headquarters had certain merits, the Special Committee on Peacekeeping Operations, which was the appropriate body of the General Assembly, should review all aspects of the new concept. Discussion of the concept should also be informed by the other ongoing comprehensive reviews of peacekeeping requirements, since a comprehensive approach was needed to ensure sufficient resources and an appropriate structure for the proper administration and management of peacekeeping operations.

42. The Canadian, Australian and New Zealand delegations had long supported a revision of the ad hoc peacekeeping scale as part of the overall reform of United Nations financing, and their individual proposals for reform remained on the table for discussion. Structural changes were required to make the scale more transparent and equitable and less arbitrary. The scale should be based on the regular budget scale and the principle of capacity to pay. A substantial surcharge should continue to be levied on the permanent members of the Security Council and the benefits of the surcharge should flow to the economically less developed Member States. There should be no predetermined floor or ceiling rate of contribution.

43. Comprehensive reform of the peacekeeping scale should address the anomalies within and between the various groups of Member States in the peacekeeping scale; the absence of an automatic mechanism for moving between groups in response to changing economic circumstances; the lack of objective criteria for locating new Member States in the various groups; the overall decline in the special responsibility of the five permanent members of the Security Council for

the funding of peacekeeping; and the need for automatic and periodic review.

44. While sympathetic to South Africa's request to relocate from group (b) to group (c), the delegations on whose behalf he spoke considered that such changes should not be made on a piecemeal basis. They also opposed any attempt by Member States to unilaterally alter their rates of assessment; the only valid rates were those that had been determined and agreed upon by the General Assembly. They supported a discussion of the underlying principles of the peacekeeping scale from which genuine reform of the scale could be developed and were willing to discuss all proposals designed to achieve an equitable outcome for the peacekeeping scale.

45. Some States had been presenting the problems associated with peacekeeping financing as if they were solely the making of the United Nations and attributable to the fact that the peacekeeping scale had not been revised since its creation in 1973. That was by no means the whole story. Difficulties in peacekeeping financing had been caused mainly by the fact that Member States, in particular the largest contributor, had not paid all their peacekeeping assessments on time, in full and without conditions. Arrears in the payment of peacekeeping assessments had caused hardship to all troop- and equipment-contributing countries, especially in the developing world. The high level of unpaid contributions was unsustainable and Member States should fulfil their legal obligations to the Organization without conditionalities, which only put the Organization at further risk at a time when peacekeeping was more necessary than ever to address the complex issues of peace and security around the world.

46. **Mr. Kumalo** (South Africa) said that recent events, and in particular the escalation of conflicts in Africa, had added a sense of urgency to the debate on the Organization's peacekeeping operations, which might to a large extent determine the role of the United Nations in maintaining peace and security in the twenty-first century. Increasingly, Member States were questioning the manner in which peacekeeping missions were authorized and their apparent division into first-class and second-class operations. That was why his delegation supported a discussion of the peacekeeping scale of assessments in the Fifth Committee.

47. At their recent meeting in Cartagena, the Ministers for Foreign Affairs of the member States of the Non-Aligned Movement had stated that the scale of assessments for the period 2001-2003 must take into consideration the economic conditions of the developing countries. Any unilateral attempt to modify the scale through conditionalities that were contrary to the Charter was unacceptable. Modification of the scale would be considered only if, in accordance with the principle of capacity to pay, it spread the burden of payment more broadly among major contributors without adversely affecting members of the Non-Aligned Movement and other developing countries. Furthermore, the principles and guidelines which the General Assembly had approved for the apportionment of the expenses of peacekeeping operations should be institutionalized. In that regard, account must be taken of the special responsibility of the five permanent members of the Security Council in the financing of such operations. Members of the Non-Aligned Movement and other developing countries, moreover, should be located in a category no higher than group (c).

48. Since its return to full membership of the United Nations, South Africa had consistently paid its dues in full, on time and without conditions. It was a developing country with an average per capita gross national product of $3,200 per annum, making it the only economically less developed Member State to find itself in group (b). In seeking relocation to group (c), it was asking for nothing more than for the General Assembly to be consistent in the application of existing guidelines and principles. However, owing to pressing national development priorities, it could ill afford to wait much longer for action under agenda item 151 (c).

49. **Mr. Zackheos** (Cyprus) said that his delegation aligned itself with the statement of the European Union but would like to make some additional comments from the perspective of a country which had been host to a United Nations peacekeeping force since 1964.

50. Not only had peacekeeping operations increased in number and scope in the face of greater demand; their mandates had also moved beyond the traditional functions of conflict prevention to those of peace-building. DPKO faced a serious challenge in fulfilling its responsibilities with limited human resources and funding. His delegation supported the strengthening of the Department, including its planning capacity, to make possible the timely deployment of troops and the

smooth operation of missions. In most cases, time was of the essence; delays tarnished the image of the Organization and complicated efforts to reach a viable solution.

51. There was room for greater interaction and fine-tuning between DPKO and the Department of Political Affairs. Personnel policy should focus on continuing training for both substantive and logistical support staff and remain aware of the need to rotate personnel between Headquarters and the field. Since it was difficult to anticipate the kind of skills that would be required to meet the challenges of the new multidimensional missions, it was the responsibility of Governments to ensure that the Secretariat had access on short notice to the special expertise required to respond to emerging needs. A revitalized DPKO would also enhance the safety and security of United Nations peacekeepers in the field.

52. His Government was concerned about the unwillingness of the international community to respond to peacekeeping needs in Africa with the same zeal and urgency as in other regions of the world.

53. For all those reasons, his delegation supported a review of the methodology of the peacekeeping scale of assessments, even though it might mean a substantial increase in its own contribution. Cyprus had set an example by agreeing to bear voluntarily one third of the budget of the United Nations Peacekeeping Force in Cyprus (UNFICYP). Moreover, it had agreed to contribute voluntarily an additional one third over and above its assessed contribution to all United Nations peacekeeping operations. He was authorized by his Government to announce that Cyprus would be willing to give up the discount to which it was entitled under the present system in recognition of the importance of peacekeeping activities.

54. The system for financing peacekeeping operations must be based on capacity to pay and should be reviewed periodically to take account of changes in the economic circumstances of individual States. Due consideration must be given to the special needs of small States and the least developed countries.

55. **Mr. Tello** (Mexico) said that, since the General Assembly had established the principles for the financing of peacekeeping operations in 1963, by its resolution 1874 (S-IV), it had been recognized that the permanent members of the Security Council had the greatest responsibility for the maintenance of peace and security and that the principle of capacity to pay was fundamental. It was also appropriate that a universal Organization should not rely excessively on one contributor. Any agreement to lower the ceiling for contributions, however, should be made subject to the commitment of Member States to meet all financial obligations in full and on time. It should also be understood that the funding lost through a reduction in payments from the major contributor would be apportioned among Member States in accordance with the existing methodology.

56. A group of States had expressed interest in revising the ad hoc agreement for peacekeeping assessments, while the majority of States favoured institutionalizing that scale. Although it was true that, since the adoption of resolution 3101 (XXVIII) in 1973, 53 States had joined the United Nations and that 98 per cent of peacekeeping financing came from 30 countries, it was also true that in 1974 the permanent members of the Security Council had contributed 63 per cent of the cost of those activities, whereas in 2000 their contribution had dropped to 47 per cent.

57. The political situation in the world had changed more than the distribution of wealth in the years since 1973. Economic disparities were the cause of the disparities in contributions to peacekeeping. In 1973 the median income of members of category B had been 4 times greater than that of members of category C, whereas in 1998 it had been 6 times greater. The criteria for assignment to category B or C must be favourable to the developing countries and recognize their relatively limited capacity to contribute to peacekeeping.

58. The decline in the share of contributions from the permanent members of the Security Council must be kept in mind when discussing a revision of the scale and the criteria for relocation. His delegation's main concern was that, while the individual and collective financial responsibilities of those countries would decline, their privileges, especially the right of veto, would not be affected. The special responsibility of those States for peacekeeping was long established, and it should be reflected in their share of assessed contributions to peacekeeping.

59. In the view of his delegation, any review of the contribution structure for peacekeeping operations should reaffirm the principle of the special responsibility of the Permanent Members of the

Security Council and the capacity to pay. It was also important to remember that, as long as no agreement was reached on the scale of assessments for the regular budget, no progress could be expected on peacekeeping finance.

60. **Mr. Holbrooke** (United States of America) said that the work of the Committee must culminate in true reform of the way peacekeeping was financed and DPKO functioned — or else the very future of the United Nations could be endangered. The Organization had been founded fifty-five years earlier primarily to keep the peace, and its success would ultimately be judged by its record in peacekeeping.

61. The recent Security Council mission to assess the prospects for peacekeeping in the Democratic Republic of the Congo had pointed to one fundamental fact: peacekeeping must be fixed in order to be saved. Unless decisive action was taken, those who threatened peacekeepers in Africa and elsewhere could draw the conclusion that the United Nations lacked the will, the cohesion and the resources to challenge them. His Government took its responsibilities very seriously, but United Nations peacekeeping was by definition a collective responsibility. Without concerted action, peacekeeping would fail, crippled by an organizational and financial system that could not support the increasing demands being placed on it by Member States.

62. The sight of peacekeepers being taken hostage in Sierra Leone almost exactly five years after peacekeepers had been taken hostage in Bosnia was deeply sobering and should lead the international community to wonder if it had learned anything in that time. He hoped the answer would be yes. Certainly there had been successes — Namibia, El Salvador, Mozambique and East Timor were just a few which came to mind — but failures in Sierra Leone or elsewhere would inevitably cast a shadow over them. Peacekeeping must be reformed conceptually, bureaucratically and financially, and a distinction must be made between peacekeeping and peacemaking. Current missions had taken on a vast and challenging array of civilian and military tasks never imagined by the founders of the United Nations. Since the start of the 1990s, the term "peacekeeping" had been used to refer to activities that differed in scope, magnitude, complexity and difficulty from anything that had gone before. Yet the greater demands on peacekeeping had not been met by the increased investment necessary to ensure the desired outcome.

63. It must be stressed that DPKO, with only a shoestring budget, a small staff and a set of resources that must be reconstituted for every mission, had achieved an admirable measure of success. Yet with five large missions — Sierra Leone, the Democratic Republic of the Congo, Kosovo, East Timor and Lebanon — moving into high gear, and ten more missions at various stages of activity, it faced an apparent mission impossible. It was hoped that the report of the Secretary-General's expert panel would clarify what must be done. In the meantime, however, immediate steps must be taken to bolster staff, streamline logistics and procurement and get resources to the field more quickly. An obvious step would be to approve the Secretariat's request to develop and staff a rapid deployment management unit. Another essential step was to equip the Logistics Base at Brindisi with state-of-the-art equipment. The kind of advance planning measures used for the mission in the Democratic Republic of the Congo should be employed for future multi-disciplinary operations.

64. That the Department of Public Information was twice as large as DPKO was alarming and inappropriate. If Member States truly cared about peacekeeping functions, the Secretary-General should be given the tools to fulfil them. The United States, consistent with its firm and sustained emphasis on budget discipline, was ready to consider proposals to add more posts to the Department in a way that avoided unnecessary pressure on the regular budget. Subject to a response to the longstanding request for a thorough inventory of current personnel and core and surge needs, it would back a substantial expansion in Department staff through redeployment and additional hiring funded by the support account and individual mission budgets.

65. The second part of the reform equation was financing. The system for financing had been created in 1973 and had been designed for a single operation. All had agreed that it was temporary and did not set a precedent, yet it had never been revised or properly re-examined. The world had changed dramatically since 1973, but the ad hoc peacekeeping scale had hardened into stone. The system was completely at odds with common sense and the best interests of Member States. It also violated the principle of capacity to pay, by concentrating 98 per cent of the responsibility in the

hands of just 30 members. Similarly, as a result of changes in the regular budget scale of assessment, the principle of special responsibility for the permanent members of the Security Council had been lost. The principle of taking into account a country's stage of development was likewise undercut: some countries were paying beyond their means, while some which could pay more were assessed next to nothing.

66. The United States did not have a concrete plan, and it was prepared to work with all Member States to consider ideas to fix the system. Among ideas meriting attention were creating a new tax bracket for middle-income countries, reviving the role of all permanent members through a floor rate or another mechanism that affirmed their special responsibility, reducing reliance on a single contributor through a ceiling rate and implementing objective thresholds so that countries moved between categories based on changing economic indicators. Indeed, as many speakers had pointed out, his Government had not fully resolved the situation regarding its arrears to the regular budget, but it was still the largest single contributor to the Organization. He reaffirmed that the United States would not advance any proposal that would increase the peacekeeping assessment rates for countries with low per capita income. Once the peacekeeping scale was reformed, the United Nations would be able to begin reimbursing the many Member States which had generously contributed troops to past operations but had still not received the full amount owed.

67. In considering whether the international community could afford to keep the system in business, Member States must also consider whether it could afford not to. In real terms, the cost of United Nations peacekeeping barely registered against national defence expenditures. The cost of refusing to support peacekeeping, on the other hand, would be measured in innocent lives worldwide.

68. He was encouraged that so many delegations had taken the time over the past few months to evaluate their positions in the light of current circumstances and to develop creative and forward-looking ideas on reform. He hoped that the current discussion would prove to be a turning point in the debate on peacekeeping.

69. **Mr. Ahmad** (Pakistan) said that his delegation associated itself with the statement made on behalf of the Group of 77 and China. Pakistan troops had contributed enormously to the restoration of peace in various strife-torn regions of the world, sometimes at the cost of their lives. Accordingly, Pakistan supported any effort to augment the Organization's financial and operational capacity to cope with the growing demand for peacekeeping activities. The qualitative changes in the nature of conflicts and the sudden upsurge in the Organization's involvement in conflict management and peacekeeping activities had given rise to an unprecedented demand for financial resources, yet the Organization was in a precarious financial situation. That uncertainty could be removed through timely and full compliance by all Member States with their financial obligations. He was pleased that cross-borrowing from peacekeeping funds had ceased, and he hoped that every effort would be made to reduce the huge amount of peacekeeping arrears and to halt the further depletion of peacekeeping funds.

70. The Organization's inordinate delay in reimbursing Member States that provided troops and equipment had caused serious difficulties for developing countries, including Pakistan. Moreover, the current standard rates of reimbursement did not fully cover the costs incurred by those States. Several new elements introduced in connection with the proposed rapid deployment management unit required further reflection and comprehensive examination.

71. Pakistan had always played an active role in strengthening the Organization's capacity to maintain international peace and security and would continue to do so. However, all Member States must demonstrate the political commitment to address the underlying causes of the current financial predicament in a spirit of cooperation and understanding. His delegation would participate in any process aimed at ensuring a secure financial foundation for United Nations peacekeeping. Innovative and realistic approaches should be taken to overcoming existing difficulties. Pakistan agreed that, in the review of the existing ad hoc scale of assessments for peacekeeping operations, the principles and guidelines contained in General Assembly resolutions 1874 (S-IV) of 1963 and 3101 (XXVIII) of 1973, including the greater capacity to pay of economically more developed countries, must remain central to any attempt to institutionalize a permanent financing arrangement. Developing countries, particularly low-income developing countries, must continue to receive the discounts currently available to them under the existing scale.

Lastly, he reiterated the urgency of enhancing the Organization's financial stability and operational effectiveness in meeting its mandated peacekeeping responsibilities.

72. **Mr. Satoh** (Japan) said that the importance of United Nations peacekeeping operations was increasing dramatically and that the mandates of recent operations had become increasingly complex and comprehensive. Their activities included not only conventional peacekeeping activities but also humanitarian assistance, disarmament, demobilization and reintegration of former soldiers into society, human rights monitoring and even economic reconstruction and the establishment of local administrative structures. Consequently, peacekeeping operations were becoming larger and more costly, and total peacekeeping expenditure for the current fiscal year was expected to be more than double that for the preceding fiscal year.

73. In view of the expected sharp increase in peacekeeping expenditure and the need to make peacekeeping operations more effective and credible, the administrative and financial aspects of the peacekeeping budget must be improved and the current scale of assessments for peacekeeping operations must be reviewed and updated. The economic situation of many Member States had changed a great deal since the basic formula and country groupings of the current system had been established in 1973. Since Member States had different opinions regarding revision of the peacekeeping scale, the issue should be discussed by the Fifth Committee.

74. **Mr. Sharma** (India) said that his delegation associated itself with the statement made on behalf of the Group of 77 and China. Since peacekeeping was the most visible activity carried out by the United Nations, whose role in that area was irreplaceable, it must continue to receive the necessary attention, energy and resources on a priority basis. Nonetheless, unpaid assessed contributions for peacekeeping operations had amounted to $1.48 billion as at 31 December 1999, while the estimated requirements for peacekeeping operations between 1 July 2000 and 30 June 2001 amounted to over $2 billion. Despite the Fifth Committee's repeated references to the Organization's precarious financial situation, that predicament seemed to be receiving less sympathy, as witnessed, *inter alia*, by the fact that, as at 30 April 2000, only 32 countries had paid their assessed contributions in full to the United Nations Interim Force in Lebanon (UNIFIL). If peacekeeping was considered a priority for the Organization and its Members, its financing must be addressed in a more concerted, serious and purposeful manner.

75. It was regrettable that the constraints faced by peacekeeping operations were compounded by financial constraints that determined, circumscribed and often undermined those activities. Efforts must be made to streamline the administrative and financial aspects of peacekeeping activities to ensure their smooth implementation and their very survival. The current state of the Organization's finances was so precarious that all new approaches must be explored. The Organization's peacekeeping functions should not be threatened, as they had been in recent years, by the failure of some Members to honour their commitments. His delegation was willing to hear the views of other Members on all aspects of peacekeeping, including the peacekeeping scale.

76. **Mr. Mahbubani** (Singapore) said that his delegation aligned itself with the statement made on behalf of the Group of 77 and China. It was willing to discuss the scale of assessments for peacekeeping operations, even though the consensus on the need to do so appeared to be somewhat reluctant. Any such discussion should take a holistic approach that addressed the concerns of all Member States, not just the well-known concerns of a vocal minority.

77. He wondered why the initiators of that discussion had not followed the established procedure of submitting a request to the General Assembly for the inclusion of that item in the agenda, instead of taking the unconventional approach of writing letters to Committee members. The failure to follow established procedures at all stages of the exercise could cast doubt on the decisions which might eventually be reached by the Committee. Those procedures were intended to provide transparency and built-in safeguards to all Member States, since they ensured that the latter were informed of all the facts and heard all the views and concerns expressed by other Member States and by the relevant expert bodies. The discussion should not be subject to artificial time pressures or arbitrary deadlines; all parties must have adequate time to air their views, to reflect on the proposals put forward and to formulate their positions. The current arrangement for the financing of peacekeeping operations, which had served the Organization well for nearly three

decades, should be maintained pending the outcome of those discussions, and ongoing peacekeeping operations must not be jeopardized by politicking among Member States.

78. The existing scale of assessments for peacekeeping operations should be institutionalized, and no developing country should be classified above the group set out in paragraph 3 (c) of General Assembly resolution 43/232. As the Ministers for Foreign Affairs of the Group of 77 had stated on the occasion of their Twenty-third Annual Meeting, the permanent members of the Security Council had special responsibilities for the financing of peacekeeping operations, and the establishment of a ceiling and a floor for those countries was totally unacceptable. Singapore would consider proposals by the United States to reduce its share of peacekeeping contributions only if the United States convinced other developed countries to absorb that reduction. That issue should be resolved by the countries that wielded influence over the direction of United Nations peacekeeping activities. The developing countries did not have the primary responsibility for solving that problem, although they could help by remaining flexible. Such flexibility should not, however, be exploited. Exerting pressure on developing countries to move voluntarily from group C to group B would not correct the alleged imbalances in the peacekeeping scale. While it was reasonable to expect developing countries with increased capacity to pay to bear a larger share of the financial burden, it was not reasonable to grant a massive discount to a major contributor whose capacity to pay was at an all-time high.

79. Capacity to pay was a cardinal "theory" underlying all United Nations scales of assessments. It could not be called a principle, since it was not applied across the board. The peacekeeping scale was the outcome of a political agreement among Member States and was based on their perceived influence on the Organization's activities to maintain global peace and security. It was also based on the scale of assessments for the regular budget, which should, in principle, adequately reflect capacity to pay. However, if the proposal to reduce the ceiling of the regular-budget scale from 25 to 22 per cent was approved, the major contributor's capacity to pay would be distorted, and the absorption of that reduction by other Member States would further distort their capacity to pay. Those distortions would then be passed on to the peacekeeping scale, at the expense of the few developing countries that had managed to achieve real economic growth. It was unfair for countries that rose above the low per capita income threshold to be confronted by immediate increases in their regular budget and peacekeeping assessments, and for countries which had high per capita incomes as a result of their small populations to be pressured to absorb the discounts of Member States that were in a better economic position, without regard to the economic, structural and geophysical challenges faced by those countries.

80. The argument that the Organization's dependence on a single contributor should be reduced was not without merit, but the increases resulting from any broadening of the scale should be borne by major contributors of the industrialized world. Developed countries were eager to spread the financial responsibility for the Organization's expenses but did not show the same generosity in relation to positions of power and influence. More significantly, efforts to make the scales of assessments more equitable were meaningless if Member States did not honour their Charter obligations to pay their assessed contributions in full, on time and without conditions. The observance of that obligation by all Member States, particularly the major contributor, was the only means of preventing financial crisis in the Organization. While he welcomed the willingness of the United States to support the sustainability of United Nations peacekeeping operations, he hoped that it would do so by living up to its obligations under the Charter.

81. The linkage of the payment of arrears by the United States to the reduction of its assessed contributions had placed the United Nations in jeopardy and had unnecessarily complicated the work of the Fifth Committee. It was important to respect the sovereignty and equality of all Member States and to address their individual concerns, since any change in the scales of assessments would affect even the smallest contributors. He urged all delegations to take an open and objective approach that would enable the Committee to reach a lasting solution that addressed the concerns of all delegations.

82. **Mr. Darwish** (Egypt) said that he endorsed the statement made on behalf of the Group of 77 and China. His delegation, along with a number of other delegations representing different regional groups, had

supported the proposal to review the scale of assessments for peacekeeping operations, since peacekeeping activities were on the rise and most of them took place on the African continent. The situation in relation to the United Nations Mission in Sierra Leone only served to reaffirm that adequate financing and timely preparation for United Nations peacekeeping activities should not be hampered for political or financial reasons. It was therefore imperative that the Member States should discuss that issue openly, in a cordial atmosphere, without imposing any preconditions.

83. The principles and guidelines for the apportionment of the expenses of peacekeeping operations, which the General Assembly had adopted in 1963 and 1973, were an excellent basis for those discussions. It was also important not to deviate from the principle of the special responsibility borne by the five permanent members of the Security Council and to recognize the limited capacity to pay of developing countries, especially the least developed countries. Informal consultations on the subject should begin during the current part of the resumed fifty-fourth session, and a final decision should be taken at a later stage, after a thorough and comprehensive study of all aspects of the peacekeeping scale had been submitted and reviewed, with the aim of reaching a consensus on that important and time-sensitive issue.

84. **Mr. Ka** (Senegal) said that, since the scale of assessments for peacekeeping operations had remained unchanged since 1973, and in view of the difficulties encountered in the financing of such activities, it was time to conduct a thorough and transparent review of that scale in a constructive manner and on the basis of established principles. Priority should be given to measures that would ensure the appropriate financing of peacekeeping activities. The assessed contributions of developing countries, particularly those in Africa, should not exceed those of the States in group C of the peacekeeping scale. Any significant change in assessed contributions under the peacekeeping scale should take into account the limited capacity to pay of the low-income countries currently classified in groups C and D. Accordingly, his delegation supported the request of South Africa for reclassification from group B to group C, as well as the views on the subject expressed recently at the Twelfth Summit of the Movement of Non-Aligned Countries.

85. His delegation supported the proposal to review those issues for the sole purpose of strengthening the Organization's current and future peacekeeping capacities and enhancing its credibility in the area of collective security. Since 1960, Senegal had contributed troops to United Nations operations all over the world. In view of the increased number, difficulty and complexity of peacekeeping operations, all aspects of their financing and effectiveness should be considered. He had taken note of the comments made by some delegations to the effect that the current arrangement seriously threatened the future of peacekeeping activities. The statements made by those delegations, including that of the United States, had led him to believe that informal consultations on the subject would be useful. All those issues should be discussed constructively and objectively.

86. **Mr. Fonseca** (Brazil) said that his delegation associated itself with the statement made by Nigeria on behalf of the Group of 77 and China.

87. Over the past few years there had been a worrisome increase in the number of conflicts worldwide and hence in the demand for United Nations peacekeeping activities. Problems faced by some operations had revealed the political and organizational complexities involved in peacekeeping activity. Some delegations had expressed the desire to begin discussion on the ad hoc scale of assessments for peacekeeping. There was certainly a financial crisis affecting the implementation of peacekeeping operations. However, it was not attributable to flawed methodology but rather to the failure on the part of the largest contributor to fulfil its financial obligations. That situation had negatively affected the reimbursement of expenses to troop-contributing countries.

88. Brazil's position on the peacekeeping scale of assessments was well known and was based on three principles. Peacekeeping operations were a core activity of the United Nations and the collective responsibility of all Member States without exception. However, the permanent members of the Security Council had special responsibilities in the financing of peacekeeping operations. Developing countries, on the other hand, had a limited capacity to contribute to the financing of peacekeeping missions.

89. The methodology of the ad hoc peacekeeping scale of assessments had been maintained over the past

27 years because its basic principles, guidelines, structure and criteria were fair, equitable and simple. In applying those principles, account must, of course, be taken of major economic changes over the years. However, consensus-building was the only sound basis for modifications in the scale. Any exercise undertaken to refine application of the principles must be transparent and technically sound and should not call into question the validity of the principles themselves. No conclusion on the issue could be reached before countries were able to assess fully the impact of the regular scale of assessments for the period 2001-2003. In view of the complexities involved, discussions in the Fifth Committee should necessarily be preceded by a thorough examination by a technical body, such as the Committee on Contributions or an ad hoc committee.

90. His delegation supported the request of South Africa to be moved from group B to group C. That was not a matter of methodology but a corrective measure for a particular case consistent with the main principles of the ad hoc scale.

91. **Mr. Bouah-Kamon** (Côte d'Ivoire) said that his delegation fully supported the statements made by Nigeria on behalf of the Group of 77 and China and by South Africa on behalf of the Movement of Non-Aligned Countries. He wished to make a few additional remarks concerning the need to update the peacekeeping scale of assessments, the implications of peacekeeping operations for Africa, and suggestions for a reform to create collective responsibility for operational financing and achieve timely reimbursement to Member States contributing troops and equipment.

92. Adaptation and change were necessary to any social structure. The circumstances under which the peacekeeping scale of assessments had originally been created had changed, and the scale itself needed to be revised. Any revision, however, must be based on objective and time-tested criteria, such as capacity to pay and gross national product. His delegation was more than willing to participate in a review of the peacekeeping scale, provided that the review offered the opportunity to convert the system from an ad hoc arrangement to a definitive system based on criteria acceptable to all, and that it was an objective exercise, not one with the hidden agenda of reducing the share of those who should actually pay more.

93. The process of development was not always smooth, as recent events in Africa had shown. The increasing number of crises in the region had led the international community to deploy the largest number of peacekeeping operations on the African continent. His delegation applauded the aid and solidarity shown and deeply regretted the loss of life. Any effort to improve and strengthen peacekeeping initiatives had the unconditional support of his delegation. In response to the notion of collective responsibility for peacekeeping operations, developing countries had decided to take a more active role in providing troops and equipment. It was commendable that many countries of the South were participating in peacekeeping operations but deplorable that increasingly those countries were the only source of troops for high-risk peacekeeping operations in Africa. The problem was compounded when countries with extremely limited financial resources were not reimbursed in a timely fashion for the troops and equipment they had contributed, a situation that appeared to be becoming chronic. His delegation was in favour of a revision of the peacekeeping scale of operations, on the understanding that once positions were adopted by consensus, no Member State, however small or however powerful, would have an excuse for failing to meet the commitments it had freely undertaken under the Charter.

94. **Mr. Šimonović** (Croatia) said that his delegation would like to offer the perspective of a country that had both hosted peacekeeping operations, including one of the most successful in United Nations history, and contributed personnel to them. The transition from traditional forms of peacekeeping to a more complex role had led to increased demand for a rapid-response capacity and a greater need for professional experience and expertise to satisfy the new mandates. Those expectations were undercut by delays in meeting assessed financial obligations. The high level of unpaid assessed contributions for peacekeeping operations was of particular concern and resulted in unfairness towards troop-contributing countries, particularly those from the developing world and countries in transition. The projected heavy increases in the peacekeeping budget would create a considerable burden for all Member States. It was therefore important to have the most effective possible administrative and financial framework for peacekeeping operations.

95. His delegation supported reform of peacekeeping operations in general, including a revision of the current peacekeeping scale. It was appropriate to adapt the scale to new circumstances, including changes in levels of development and the addition of many new States since the scale was last prepared. Nevertheless, the permanent members of the Security Council should continue to have special responsibilities, and the principle of the capacity to pay of each Member State remained fundamental. It was important that contributions should be paid and not just assessed. Hence assessments should be in conformity with the Charter of the United Nations. It was absurd that an assessment should continue to be made for a State that had ceased to exist or for a State that had not yet applied for membership. The fiction did not serve the interests of the Organization. The existing regular procedure should be followed to ensure equal treatment of all States, and the relevant resolutions of the Security Council and the General Assembly should be respected, so that such mistakes would not be repeated in any future scale of assessments.

96. His delegation advocated broader discussion of the issue, including an exchange of views in the Fifth Committee, consultations with the relevant United Nations departments and deliberations in the plenary Assembly.

The meeting rose at 1.20 p.m.

United Nations A/C.5/54/SR.66

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Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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00-43579 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 151: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/C.5/54/55)

(a) Financing of the United Nations peacekeeping operations (*continued*)

Support account (*continued*) (A/54/797, A/54/800 and A/54/832)

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United Nations Logistics Base at Brindisi (*continued*) (A/54/30, A/54/711, A/54/733 and A/54/841 and Add.8)

(c) Relocation of South Africa to the group of Member States set out in paragraph 3 (c) of General Assembly resolution 43/232 (*continued*) (A/53/1009)

1. **Mr. Galuska** (Czech Republic) said that his delegation associated itself with the statement made by the representative of Portugal on behalf of the European Union but would like to address a few additional issues.

2. Since its establishment in 1993, the Czech Republic had participated actively in peacekeeping, making it a high priority of its foreign policy. It was therefore deeply concerned at the constant high level of unpaid dues for peacekeeping operations as well as the growing debt to troop contributors.

3. The current peacekeeping assessment formula had been created under completely different political circumstances and no longer reflected current realities. It did not sufficiently take into account capacity to pay and the changing economic performance of Member States. His delegation was pleased that the issue of a comprehensive revision of the peacekeeping scale of assessments was on the Committee's agenda. When the Czech Republic had joined the United Nations in 1993 it had asked to be placed in category C because of the economic difficulties it was experiencing. However, owing to the lack of any transparent criteria for placement, it had been allocated to category B, and had contributed much more to the peacekeeping budget than States with comparable economic indicators in category C.

4. His Government was prepared to bear its share of peacekeeping expenses in the future, but it considered the current financing methodology unfair. It was concerned at the pace of the negotiations, but remained optimistic that the overall reform would be implemented in the near future. It was prepared to discuss any changes to the system that were based on clear economic criteria. The current system could not be improved simply by moving some States from one group to another. It must be thoroughly reviewed to take into account objective criteria, in particular the level of economic development of Member States. His delegation could agree to consider the establishment of more categories, based on national per capita income among other criteria, and was open to other innovative proposals. All States Members of the United Nations, and the Organization itself, would undoubtedly benefit from a new and equitable methodology for peacekeeping assessments.

5. **Mr. Kolby** (Norway) said that, faced with the recent upsurge in peacekeeping, the international community must make a commitment to ensure that the Organization had the capacity to carry out the increasingly complex tasks of maintaining peace and security. The Department of Peacekeeping Operations should be adequately structured and staffed to make it capable of planning, deploying and managing multifunctional missions; that meant that adequate resources must be secured both from the regular budget and from the support account. His delegation concurred with the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the establishment of 67 additional temporary posts to be funded from the support account and the establishment of two new posts in the Training Unit. There was a need for enhanced rapid deployment capacity within the Department, and the proposal regarding the establishment of a Rapid Deployment Management Unit should be reviewed by the Special Committee on Peacekeeping Operations.

6. His delegation supported the recommendations of the Phase V Working Group. Although the Working Group had not been able to review the rates for major equipment and self-sustainment, it had established a

mechanism for reviewing the rates in the future. The new contingent-owned equipment (COE) system was also a major improvement over the standby arrangements system, and would assist the Secretariat in the timely finalization of memorandums of understanding or contribution agreements. The Secretariat should also speed up the work on applying a cut-off date for the conversion of all existing missions to the new COE procedures.

7. His delegation would like to encourage the Secretary-General to develop further the concept of the United Nations Logistics Base at Brindisi. Its use for forward deployment of equipment was vital in moving equipment rapidly to a new area of operation. The Field Assets Control System (FACS) must also be further developed.

8. His delegation had given its support to the European Union proposal for a reform package comprised of payment of arrears, revision of the regular budget and peacekeeping scales, a set of incentives and disincentives and measures to increase efficiency.

9. **Ms. Pajula** (Estonia) said her delegation hoped that discussions on the reform of the current scale of assessments for peacekeeping operations would begin as soon as possible. It was pleased that the United States of America had joined the European Union in advocating a review of that scale.

10. The willingness of nations to give aid to those in need was one of the cornerstones of the Organization. Peacekeeping was a collective responsibility which all Member States should be prepared to support. However, the current scale of assessments for peacekeeping operations was outdated and ran counter to that shared commitment. Her delegation trusted that serious discussions at all levels would lead to the development of objective criteria for a fair and updated scale. In that connection, Estonia was willing to forgo the 80-per-cent discount from which it currently benefited as a member of the group set out in paragraph 3 (c) of General Assembly resolution 43/232.

11. **Mr. Mabilangan** (Philippines) said that peacekeeping remained an indispensable instrument for the maintenance of international peace and security and that the United Nations continued to play a crucial role in that area. In the past year, the number, size and scope of peacekeeping operations had expanded dramatically, while resources had declined. He was concerned to note that Member States owed the United Nations over $2 billion for the financing of various peacekeeping operations. The non-payment of assessed contributions resulted in the late reimbursement of countries that provided troops and equipment and placed an unnecessary burden on those countries, especially developing countries. Any further delay in reimbursement could jeopardize those countries' participation in future United Nations peacekeeping activities. All Member States must pay their assessed contributions in full, on time and without conditions.

12. Like many other countries, the Philippines would like to put the financing of peacekeeping operations on a solid foundation by reviewing the current ad hoc arrangement for the apportionment of the expenses. Any new arrangement must be perceived as fair and equitable and must reflect contemporary political and economic realities. His delegation was open to any proposals aimed at achieving those objectives. The review of the peacekeeping scale must also continue to reflect the principles which had governed the current arrangement for the last 27 years and which remained fully valid, such as the greater capacity to pay of economically more developed countries, the limited capacity to pay of economically less developed countries and the special financial responsibility of the five permanent members of the Security Council.

13. As a founding member of the United Nations, the Philippines gave priority to ensuring that the Organization's peacekeeping capacity was strengthened, not weakened. Accordingly, despite its limited resources, it had chosen to participate in a number of peacekeeping operations, including those in Kosovo and East Timor. The recent events in Sierra Leone pointed to the need to guarantee the future of peacekeeping and its financing. His delegation therefore called for a general agreement on a revised peacekeeping scale that was fair and equitable. All Member States must provide the Organization with the political and financial support it needed to maintain international peace and security more effectively and efficiently. To that end, the Philippines was willing to forgo the 80-per-cent discount currently granted to it in the assessment of its peacekeeping contributions, as an expression of its strong commitment to global and regional peace and security in general and to a continuing effective presence in East Timor, in particular.

14. **Mr. Lozinski** (Russian Federation) said that, if the Organization was to meet the new challenges posed by the unprecedented increase in United Nations peacekeeping activities, there was a clear need for practical measures to place those activities on a sound financial footing and the issue of the apportionment of peacekeeping expenses must be addressed.

15. A number of delegations had suggested that the Committee should look anew at the proposals made during the intensive negotiations that had preceded the adoption in 1973 of the ad hoc arrangements on which the current system of financing peacekeeping operations was based. With the necessary adjustments, those proposals might provide a good framework for the Committee's discussions. The Committee should also take into account the various ideas on reform of the peacekeeping scale of assessments put forward in the context of the High-level Open-ended Working Group on the Financial Situation of the United Nations.

16. The principle of the special responsibility of the permanent members of the Security Council in the financing of United Nations peacekeeping activities was incontrovertible. The Russian Federation, as a permanent member of the Council, had borne, and would continue to bear, additional financial obligations in relation to the peacekeeping budget.

17. Any reform of the peacekeeping scale must be undertaken in accordance with existing procedures, on the basis of consensus, and must be subject to strict compliance by all Member States with their financial obligations to the Organization. Despite its continuing financial difficulties, the Russian Federation paid its contributions to the regular budget in full and was steadily reducing its arrears with respect to the peacekeeping budget. His delegation stood ready to engage in constructive cooperation on the issue of reform of the peacekeeping scale, which should be the subject of intensive multilateral consultations.

18. **Mr. Prendergast** (Jamaica) said that his delegation wished to associate itself with the statement made by the representative of Nigeria at the Committee's 65th meeting on behalf of the Group of 77 and China. United Nations peacekeeping operations helped Member States to fulfil their collective responsibility to resolve threats to international peace and security. It was therefore imperative that those operations should have adequate resources. Currently, the Organization faced problems in that area, but it continued to establish new peacekeeping operations with complex mandates requiring huge financial commitments.

19. His delegation agreed that the financing of peacekeeping operations was the collective responsibility of Member States, which should pay their assessed contributions in full, on time and without conditions. Relying entirely or in part on voluntary contributions to finance missions undermined that principle and resulted in unequal treatment. All missions must therefore be financed through the assessed contributions of Member States in order to ensure equity and to enable them to discharge their mandates effectively.

20. Peace-building played an important role in cementing the gains made through peacekeeping. In that context, his delegation wished to express its support for the activities of the International Civilian Support Mission in Haiti (MICAH) and called for all missions that had moved from a peacekeeping to a post-conflict peace-building mandate to be given adequate support and funding.

21. **Mr. Muchetwa** (Zimbabwe) said that his delegation associated itself with the statement made on behalf of the Group of 77 and China. The African continent had witnessed more United Nations peacekeeping failures than any other region. On some occasions, the United Nations had found it easier to ignore Africa in its hour of need than to mandate and equip a peacekeeping mission that could have saved the day. On more numerous occasions, the United Nations had found excuses to drag its feet while crises in Africa had flared up. Even in cases in which African subregional arrangements had stepped in to contain situations in anticipation of Security Council assistance, the United Nations had remained aloof. Currently, the United Nations risked squandering the opportunities for peace which the Lomé Agreement and the Lusaka Ceasefire Agreement had created in Sierra Leone and the Democratic Republic of the Congo. Repeated pleas by African leaders for a robust Chapter VII peacekeeping mandate in Sierra Leone had been spurned. The half-hearted efforts made in that country had seriously undermined the Organization's credibility and called into question its commitment to peacekeeping, particularly in Africa.

22. The lack of political will to provide resources commensurate with peacekeeping mandates had often

resulted in inadequate mandates or no mandates at all. Owing to the financial crisis caused by the non-payment of assessed contributions, the Organization had often been forced to deploy ill-equipped peacekeeping missions. That did not augur well for an institution that was uniquely mandated to maintain international peace and security. Member States must honour their Charter obligations by paying their dues to the Organization, as the first step towards improving the financing of peacekeeping operations.

23. Any review of the scale of assessments for peacekeeping operations must continue to reflect the special responsibility of the permanent members of the Security Council, the capacity of economically more developed countries to make relatively larger contributions and the limited capacity of economically less developed countries to contribute to peacekeeping. Any significant modification of the scale must take into account the economic conditions of low-income developing countries and must not adversely affect their current position. The general principles and guidelines for the apportionment of peacekeeping expenses should remain in place. The approach taken to the development of mechanisms to ensure adequate peacekeeping financing must not be one of trial and error. Adequate time should be allotted to the consideration of the issue to allow delegations to formulate their positions and to ensure that the interests of all Member States were taken into account. Lastly, care must be taken to avoid making the scale even more unstable and uncertain.

24. **Mr. Lancry** (Israel) said that he welcomed the reform initiatives which the Secretariat had taken over the past two years. Recent events had increased and highlighted the urgency of reforming the scale of assessments and the budget for peacekeeping operations, but such reform had been necessary for some time. Disparities in the distribution of wealth and resources had widened and the burden of offsetting them had been distributed unevenly. Israel therefore supported a comprehensive reform of the scales of assessments for both the regular budget and peacekeeping operations. Moreover, it was willing to be relocated from group C to group B and to forgo the 80-per-cent discount which had thus far been applied to its peacekeeping contributions. At the current critical time for United Nations peacekeeping, the Member States should join forces to ensure that the Organization was prepared to meet the global challenges of the twenty-first century.

25. **Mr. Sun Joun-yung** (Republic of Korea) said that his Government attached great importance to United Nations peacekeeping, which was among the Organization's most visible and significant activities. In view of the recent large expansion of peacekeeping operations, the Organization needed a more stable and equitable financing mechanism in order to meet its vital commitments. Since 1973, peacekeeping missions had been financed on an ad hoc basis and as the number of Member States and the global economy had changed a great deal since then, a comprehensive review of the current system's strengths and shortcomings was necessary. His delegation therefore supported the discussion of the scale of assessments for peacekeeping operations during the current part of the resumed session and at the fifty-fifth session with a view to improving the transparency and stability of peacekeeping financing. It also looked forward to participating in informal consultations on the subject, as suggested by a number of delegations.

26. The Republic of Korea had consistently supported United Nations peacekeeping activities and had contributed troops to the operations in East Timor, Western Sahara and Angola. It therefore attached growing importance to the need to enhance the transparency of the decision-making process concerning the dispatch of peacekeepers. Since peacekeeping assessments would far exceed regular budget assessments in the coming year, particular attention must be paid to the appropriate evaluation of the efficiency and effectiveness of peacekeeping operations.

27. **Mr. Estévez-López** (Guatemala) said that his delegation associated itself with the views expressed on behalf of the Group of 77 and China on the financing of United Nations peacekeeping operations and on the scale of assessments for such operations. As a country which had benefited directly from a United Nations peace-building mission, Guatemala recognized the enormous importance of the Organization's peace efforts. The United Nations was probably the only organization with the credibility and moral authority to conduct such operations. However, the recent events in Sierra Leone showed how dangerous those activities could be, particularly when they were underfunded. In the area of peacekeeping, it could not be assumed that a modest presence was better than no presence at all.

The Organization had suffered serious setbacks owing to the systematic underfunding of peacekeeping activities as a result of the reluctance of the major contributors to live up to their responsibilities. The use made of the conflict prevention, peacekeeping and peace-building instruments provided for under the Charter should be judicious, but also unobstructed; when Member States committed themselves to such activities, they should do so with the wholeheartedness required to ensure their success.

28. The question of how to apportion the costs of such activities among Governments arose in relation to any type of activity of any intergovernmental organization. In such cases, certain criteria were usually applied, such as capacity to pay or the equal division of expenses. Often, those considerations were weighted to take other factors into account, such as the assignment of a larger share of the costs to the host country in view of the benefits derived by the latter. The point was that any set of criteria was valid as long as it enjoyed consensus. Currently, there was no consensus in the United Nations regarding either the peacekeeping scale or the regular budget scale. Despite the difficulty of breaking with past practice, the problem must be addressed for the sake of the Organization. His delegation therefore agreed that a dialogue should be initiated on that controversial subject, which had been made more controversial by the manner in which it had been brought before the Committee. In the interests of objectivity, however, the scale of assessments should be reconsidered without regard to the manner in which the issue had been introduced.

29. None of those considerations prejudged the questions of whether or how the scale of assessments for peacekeeping operations should be revised. However, two criteria should be given special importance in any new formula which might be devised: capacity to pay and the disproportionate responsibility of some Members, including the permanent members of the Security Council, for the maintenance of peace in the world.

30. **Mr. Chowdhury** (Bangladesh) said that the Committee must address the crucial issue of the financing of United Nations peacekeeping operations in all its aspects so that the outcome of its deliberations would contribute to the enhanced efficiency and effectiveness of those vital activities, which had become extremely complex in recent years. It was important that the Committee should listen to and take into account the concerns of all Member States, particularly the largest contributor. In that connection, he had noted with interest the statement made by the United States representative at the Committee's 65th meeting.

31. The time had come for the Organization to review the ad hoc arrangements for the financing of United Nations peacekeeping operations (adopted in 1973). That exercise must be open, transparent, creative and realistic and the focus must be on the best interests of the United Nations. His delegation looked forward to making its contribution. Peacekeeping operations were a collective responsibility and their costs should be borne collectively, bearing in mind the special responsibility of the permanent members of the Security Council.

32. **Mr. Göktürk** (Turkey) noted that the total estimated budgetary requirements for all peacekeeping operations for the period from 1 July 2000 to 30 June 2001 amounted to more than $2 billion, which represented a significant increase compared with the expenditure incurred in the 12-month period ending 30 June 1999. There had been a similar upward trend in the requirements for the support account, reflecting the increase in United Nations peacekeeping activities.

33. His delegation noted with satisfaction the observation by ACABQ that there had been improvements in the preparation of the budget proposals for individual peacekeeping operations, partly as a result of the implementation by the Department of Peacekeeping Operations of the Advisory Committee's recommendations. Such positive interactions between components of the United Nations system should be enhanced in the future. His delegation also welcomed the increased coordination on administrative and budgetary matters between Headquarters and missions in the field. However, it shared the concern of the Advisory Committee with respect to the screening, selection and timely deployment of civilian police personnel, which should be accorded higher priority.

34. Military and civilian police personnel could be deployed in the required numbers only if Member States contributed contingents, but the Department of Peacekeeping Operations, as the main coordinator of United Nations peacekeeping activities, must also be more effective. It was to be hoped that, following

restructuring, the Department would be better able to cope with its increased workload.

35. His delegation noted with satisfaction the increased emphasis placed on training programmes. Such programmes enabled United Nations peacekeepers to act uniformly, as well as effectively. Turkey had been, and would continue to be, a provider of training.

36. Recent events in various regions had shown that the United Nations still lacked the capacity to react rapidly. The Special Committee on Peacekeeping Operations and the General Assembly had emphasized repeatedly the need to establish a fully operational rapidly deployable mission headquarters. The Secretary-General's proposal for the creation of a Rapid Deployment Management Unit had yet to be discussed in the relevant forums. It was clear, however, that the structure of the New York base for peacekeeping operations must be overhauled.

37. His Government, which had contributed contingents to missions in spots as far flung as Kosovo and East Timor, was keenly aware of the need to place the Organization's peacekeeping operations on a sound financial footing. The peacekeeping scale of assessments required comprehensive revision. The apportionment of peacekeeping expenses must be fairer, taking into account all relevant economic and financial criteria and reflecting the true capacity of countries to pay. His delegation agreed that the General Assembly should consider the issue during the second part of the resumed session with a view to completing its work at the fifty-fifth session.

38. **Mr. Stańczyk** (Poland) said that his delegation had aligned itself with the statement made by the representative of Portugal on behalf of the European Union. For many years, Poland had been an active participant in peacekeeping operations as a troop contributor and, based on that experience, it understood how vital it was to have an appropriate financing mechanism in place. The fact that peacekeeping was a collective responsibility of all Member States should also be borne in mind.

39. His delegation shared the view that the financial mechanism for peacekeeping would be efficient only if it was based on actual capacity to pay, and it therefore supported the suggestion of the United States delegation that the discussion of the matter should begin immediately, in informal consultations. The shortcomings of the current system were evident, as was the need for its reform.

40. **Mr. Čalovski** (The former Yugoslav Republic of Macedonia) said that peacekeeping operations were a core responsibility of the United Nations. Their success or failure determined to a large extent the credibility and relevance of the Organization. His own region had benefited greatly from the presence of the United Nations Preventive Deployment Force (UNPREDEP) on the borders of the former Yugoslav Republic of Macedonia with Yugoslavia and Albania. Regrettably, on the eve of the conflict in Kosovo, the Security Council had decided not to extend the mandate of UNPREDEP, and that had adversely affected subsequent developments in the province.

41. The Organization had acquired enormous knowledge and experience in the field of peacekeeping. Its biggest challenge in the future would be to mobilize the necessary political will to enable it to act quickly and forcefully in crisis situations.

42. His delegation agreed that it was necessary to arrive at fairer and more satisfactory arrangements for the apportionment of peacekeeping expenses. There was a need for open-minded and transparent consideration, in informal consultations, of all aspects of the peacekeeping budget. His delegation therefore supported the proposal made by the representative of the United States for a review of the peacekeeping budget and the peacekeeping scale of assessments, and looked forward to participating in that process.

43. **Mr. Bouhadou** (Algeria) said that his delegation wished to associate itself with the statement made by the representative of Nigeria at the Committee's 65th meeting on behalf of the Group of 77 and China. With respect to the proposed review of the peacekeeping scale of assessments, his delegation would have no objection to the holding of consultations on that issue. It considered that every Member State had the right to call for the consideration of issues that it regarded as priorities.

44. In the light of the resurgence and proliferation of regional and civil conflicts, particularly in Africa, and the increasing scale and complexity of the Organization's peacekeeping activities, it was vital that peacekeeping operations should receive adequate financial, human and logistical resources. As of 31 December 1999, the United Nations had owed some $800 million to the Governments of troop-contributing

States, most of which were developing countries. His delegation was concerned that with the current increase in peacekeeping expenses — which had more than doubled since the previous 12-month period — the Organization's arrears to Member States would be accentuated and the already precarious financial situation of the United Nations would be exacerbated, jeopardizing the implementation of the mandates of the peacekeeping missions.

45. Despite its recent economic difficulties, Algeria had always paid its contributions to the regular budget and the peacekeeping budget in full and on time and his delegation considered that all Member States should do likewise. It was ready, however, to take part in negotiations on the reform of the peacekeeping scale established in 1973 and acknowledged that the capacity to pay of many countries had changed fundamentally since that time. There was a need to take into account the special responsibility of the permanent members of the Security Council in the financing of peacekeeping operations, the different capacities of Member States to contribute to such operations and the relatively limited capacity of developing countries, particularly the least developed countries, to do so.

46. **Mr. Listre** (Argentina) said that peacekeeping operations were a core function of the Organization and the collective responsibility of all Member States. Argentina had demonstrated its commitment to such operations not only by contributing troops, but also by participating actively in all forums in which the issue was discussed.

47. Some of the arguments put forward for the revision of the scale of assessments for peacekeeping operations were valid, especially since the scale had been adopted in 1973 on an ad hoc basis for the purposes of a specific mission. However, the issue must be considered very carefully, with a view to reaching a consensus and taking into account the serious implications any revision could have for countries, such as Argentina, which were currently classified in group C. Should Argentina be relocated to group B, it would have to pay five times its current assessed contribution for peacekeeping operations. In other words, its contribution would increase from the current level of $3.8 million to $19 million, and to about $25 million in 2001. That excessive increase would be unbearable, and Argentina would oppose such an extreme measure. It was unrealistic to expect a country such as Argentina, which faced severe budgetary constraints, to begin automatically to pay five times the amount currently assessed. His delegation shared the views expressed by other delegations, particularly that of Mexico, to the effect that the greatest responsibility for financing peacekeeping operations should be borne by the permanent members of the Security Council, which should absorb most of the costs of any change in the current peacekeeping scale.

48. **Ms. Buergo Rodriguez** (Cuba) said that her delegation welcomed the performance report on the support account for peacekeeping operations for the period 1 July 1998 to 30 June 1999 (A/54/797), and the related report of the Advisory Committee (A/54/832). It took note of the unutilized balance of $1,578,400 and concurred with the proposal of the Secretary-General that that balance should be applied to support account requirements for the period 1 July 2000 to 30 June 2001. It concurred with the recommendations of the Advisory Committee in paragraphs 3 and 4 of its report (A/54/832) and stressed the need for precise and detailed information regarding training activities in order to explain the disparities between the provision of assistance to developing and developed countries.

49. With regard to the estimates for the period 1 July 2000 to 30 June 2001, her delegation sought confirmation that the level of human and financial resources requested was adequate, considering the growth in peacekeeping operations. The proposed establishment of a Rapid Deployment Management Unit at Headquarters would mean a significant change in the concept of peacekeeping management. Her delegation was concerned about the new concept being introduced in the context of the budget and the support account before being discussed in the Special Committee on Peacekeeping Operations and the Fourth Committee. General Assembly procedures and decisions should be upheld, and the Committee could take up the financial requirements for the Unit once those bodies had reached a decision.

50. The General Assembly, in resolution 53/12, had approved the establishment of two P-4 posts for the Unit, but since the Unit had not yet been established, those two posts should be removed from the staffing table and the budget proposal should be adjusted to reflect that decrease. Her delegation was concerned that the Advisory Committee had included in its report substantive comments on the Secretary-General's proposal before the proposal had been approved by the

competent intergovernmental mechanism; that was unacceptable.

51. Given the clear duplication and overlap of functions among some of the activities of the Department of Peacekeeping Operations, the Department of Political Affairs and the Department of Management, her delegation believed that the situation should be monitored closely and that future reports on the support account should contain detailed information on the changes made and their impact on management. The avoidance of such duplications should be an integral part of reform efforts.

52. Her delegation fully supported the request by South Africa for reclassification. It also endorsed the statements made on behalf of the Group of 77 and China and the Movement of Non-Aligned Countries on that matter and on the peacekeeping scale of assessments.

53. Her delegation had noted the interest of some delegations in revising the scale of assessments for peacekeeping operations and it believed that the procedures for the inclusion of new items in the agenda of the General Assembly should be followed.

54. **Mr. Morales** (Panama) said that, while his delegation could not object to the periodic review of the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations, the haste with which such a substantive issue as the scale of assessments was being considered did raise some concerns.

55. His delegation had taken note, in particular, of the view expressed by the representative of the United States of America that the Organization had decided to rely much more on peacekeeping operations in a wide variety of complex situations, even though it had failed to update its system for doing so, and that, following the events in Sierra Leone, the United Nations must renew its commitment to enhancing the effectiveness of its peacekeeping operations. He took that to mean that the Organization should physically intervene in civil wars and situations that were different from those in which it had intervened historically. His delegation was of the view, however, that a clear distinction should be drawn between situations of internal political conflict and situations that posed a threat to peace in a given region. In the case of internal conflicts, recourse should be had to such forums for peaceful settlement as regional organizations, the Commission on Human Rights and other functional commissions of the United Nations, all of which were aimed at strengthening democratic institutions.

56. His delegation agreed that there was a need for increased efforts to maintain international peace and security. The operation in Sierra Leone, however, did not constitute sufficient justification for policy changes, including a review of the scale of assessments. What was needed was for all Members to fulfil their obligations to the Organization and for the permanent members of the Security Council to assume their special responsibilities for the financing of peacekeeping operations fully and unconditionally.

57. **Mr. Yel'chenko** (Ukraine) said that adequate funding was crucial to the effective functioning of United Nations peacekeeping operations, which had expanded greatly in recent years. The current ad hoc peacekeeping scale should be replaced by a stable, transparent, equitable and effective mechanism based on objective economic criteria. Ukraine, which had been adversely affected by the rigidity of the peacekeeping scale during the period of rapid growth in peacekeeping activities in the mid-1990s, had always advocated the apportionment of peacekeeping expenses based on the principles of the collective responsibility of Member States, capacity to pay as measured by per capita gross national product, and recognition of the special responsibility of the permanent members of the Security Council for the maintenance of international peace and security and of the fact that the capacity of the economically less developed countries to contribute was relatively limited.

58. **Mr. Erdos** (Hungary) said that peacekeeping was one of the Organization's most important and highly visible activities. The substantial increase in the number and scope of peacekeeping operations made it even more imperative that the Organization should be provided with adequate resources to enable it to cope with the challenges it faced. The current peacekeeping scale was outdated and contained certain anomalies. It should therefore be the subject of a comprehensive review aimed at creating a system for the financing of peacekeeping operations that was based on the principle of capacity to pay. He announced that Hungary had decided to renounce voluntarily the discount it currently enjoyed as a result of its group C status. Implementation of that decision would take place at the appropriate time in the light of the relevant

discussions in the Committee. Due account would also have to be taken of the need for Hungary to readjust to its new place in the peacekeeping scale, which would entail considerable additional expenses, and for a gradual increase in the share of the peacekeeping budget borne by a number of States.

59. In the current period of severe crises and challenges, it was essential for the Organization to preserve its credibility by demonstrating the required level of determination and acting without undue delay to preserve international legality and help countries to avoid the nightmare of lawlessness and civil strife. If there was one lesson to be learnt from previous experience, it was that the United Nations needed to move in at the right time, with adequate resources and with the right mandates. The announcement he had made should be construed as a contribution towards resolving the outstanding issues related to the peacekeeping scale and enhancing the international community's ability to come to grips with the unprecedented challenges of the times.

60. **Mr. Castellon** (Nicaragua) said that his delegation shared the concerns that had been expressed over the Organization's peacekeeping activities. Peace was an essential requirement for development and all Member States should therefore attach the greatest importance to programmes aimed at promoting peace.

61. While the peacekeeping scale of assessments should indeed be revised to make it fairer and more equitable, any revision should take into account the commitments and obligations of those States that had the resources and capacity to make a larger contribution to the implementation of measures for the maintenance of international peace and security. Responsibility, however, should not be placed on the shoulders of only one or a few Member States. The debate on the new scale should be broad-based and reflect the commitment of all Member States to peace and the survival of mankind.

62. **Mr. Naidu** (Fiji) said that, if peace and security for all the peoples of the world were to remain among the core functions of the United Nations, then it was imperative for the Committee to discuss the subject with an open mind. With the escalation of the cost of peacekeeping operations, there was no hope of containing the level of expenditure. For that reason, the issue must be discussed holistically, that, of course, included financing.

63. Most of the least developed and developing countries could not carry any additional financial burden in the form of contributions to the United Nations budget. However, the troop-contributing countries, particularly the developing countries, should not be penalized during the current impasse by not being reimbursed in a timely way. Member States must pay their dues in full and on time so that those countries could be reimbursed and could continue to participate in future missions.

64. **Mr. Spirollari** (Albania) said that the United Nations played a very important role in resolving political and social conflicts and maintaining peace and security throughout the world. Albania was grateful to the peacekeeping forces whose presence in the Balkans had prevented a humanitarian catastrophe and further conflict in the region. At the same time, however, the problems faced by the peacekeeping forces in Kosovo, Macedonia, Bosnia and Sierra Leone pointed to the need for a review of peacekeeping activities.

65. His delegation fully supported the United States proposal that the scale of contributions to peacekeeping operations should be reviewed. A solution to the concerns that had been raised would strengthen the Organization's role in the maintenance of international peace and security. Peacekeeping was a collective responsibility and increased contributions from Member States would not only expand their role in world affairs but would also enable the Organization to take action in the right places and at the right time.

66. **Mr. Mutaboba** (Rwanda) said that, instead of giving up, the United Nations should address the root causes that had led to the failure of many of its peacekeeping operations. Africa, which had borne the brunt of such failures, should not be left to its fate. The continent continued to suffer from injustices that were sometimes self-imposed and from double standards that were imposed from outside, sometimes by the United Nations itself.

67. Genuine reform of the scale of assessments was therefore needed now more than ever and should be viewed in the context of comprehensive reform of the Organization, including reform in the priority area of the maintenance of international peace and security. While others spoke of scales of assessment, Africans spoke of reforms to give the continent the peace and security that it needed for a better future. The Organization could not continue to work on the basis of

wrong and unfair premises while hoping to devise a fair and realistic framework for future operations.

68. **Mr. Mirhohamad** (Islamic Republic of Iran) said that his delegation supported the conclusions and recommendations contained in the Advisory Committee's report on the support account for peacekeeping operations (A/54/832), in particular the recommendation contained in paragraph 35 thereof. The Secretariat should provide additional information on the concept of the rapidly deployable mission headquarters and its staffing requirements. On the question of the scale of assessments for peacekeeping operations, his delegation supported the position of the Group of 77 and China.

69. **Ms. Topic** (Bosnia and Herzegovina) said that the question of the peacekeeping scale of assessments was of crucial importance to the core function and future of the United Nations. In an age of increasing conflict, peacekeeping seemed to have become the Organization's tool of choice for peace-building and peace enforcement. Timely deployment of peacekeepers saved lives, assisted in rebuilding State infrastructure and alleviated human suffering. In order to meet the challenges, financial support for peacekeeping should therefore not be based on ad hoc arrangements or on conditionality, but rather on stable support structures.

70. The steady decline in the share of the peacekeeping budget contributed by the permanent members of the Security Council raised a number of issues, such as the role of the five permanent members in decision-making on peacekeeping matters and the role of the Organization's other Members. The approach adopted should ensure that States whose economic circumstances improved paid their fair share, while those whose economic circumstances deteriorated were given the appropriate automatic decrease.

71. Members of the Organization had a collective responsibility to provide the resources that were needed for peacekeeping operations in Africa and other emergency areas. Her delegation also believed, however, that the earlier failures had been due more to the lack of will on the part of the most powerful and capable Member States rather than to a lack of vision within the Secretariat. Lessons learnt must be translated into action in response to situations that threatened peace and the lives of millions of men, women and children.

72. She wished to point out that the scale of assessments for both the peacekeeping and the regular budgets concerned only States Members of the Organization and that, pursuant to Security Council resolution 777 (1992), the Socialist Federal Republic of Yugoslavia had ceased to exist in 1992. Clarification of the name of the State was therefore needed before any assessment could apply to Yugoslavia after that date.

The meeting rose at 12.15 p.m.

United Nations A/C.5/54/SR.67

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Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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00-43755 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 151: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/C.5/54/55)

(a) Financing of the United Nations peacekeeping operations (*continued*) (A/54/30, A/54/711, A/54/733, A/54/763, A/54/765, A/54/795, A/54/797, A/54/800, A/54/826, A/54/832, A/54/841 and Add.8, A/54/859; A/C.5/54/49)

(c) Relocation of South Africa to the group of Member States set out in paragraph 3 (c) of General Assembly resolution 43/232 (*continued*) (A/53/1009)

1. **Ms. Sun Minqin** (China) said that her delegation had always attached great importance to United Nations peacekeeping operations carried out under the Charter. The backstopping provided by the support account was indispensable in implementing peacekeeping mandates, and adequate human and financial resources must be ensured for the support account in the light of the current situation. Her delegation had noted that four additional posts had been proposed for the Department of Peacekeeping Operations, and she sought clarification as to whether the Committee had the mandate to take a decision before the Special Committee on Peacekeeping Operations had discussed the matter.

2. Her delegation supported the request of South Africa to be relocated from group B to group C, and hoped that the question could be resolved at the current part of the resumed session. It also noted that some Member States had expressed interest in discussing the peacekeeping scale of assessments, but reiterated that the inclusion of that topic in the Committee's programme of work should be in accordance with the rules of procedure of the General Assembly.

3. In the view of her delegation there was no direct link between the financial crisis which had plagued the Organization for many years and the existing peacekeeping scale. The current system, based on the principle of capacity to pay, was fully in keeping with the spirit of the Charter and had proven effective over time. She called on all Member States, the major contributor in particular, to demonstrate political will by fulfilling their financial obligations under the Charter.

4. Her delegation endorsed the statement made by Nigeria at the 65th meeting on behalf of the Group of 77 and China.

5. It was the position of her delegation that the peacekeeping scale should reflect the principles of capacity to pay and of collective but differentiated responsibility. As a permanent member of the Security Council, China understood its responsibility for world peace and security and had fulfilled its financial obligations to the United Nations with regard to peacekeeping. But her delegation resolutely opposed setting floor or ceiling rates for the permanent members of the Security Council, since that would be a violation of the principle of capacity to pay. It would also oppose any attempt to shift the financial burden on to developing countries.

6. **Mr. Petrič** (Slovenia) said that, because of the need to preserve consensus among Member States and continue the reform of the Organization, his delegation supported the proposal to begin a dialogue on the future of United Nations peacekeeping activities, including a new scale of assessments for peacekeeping.

7. Peacekeeping had reached a critical juncture, and the past two years had given new hope to the concept of collective security, through multi-dimensional operations in Kosovo, East Timor and Sierra Leone, and the prospect of an operation in the Democratic Republic of the Congo. Maintaining that new momentum for peacekeeping depended very much on a resolution of the crisis in Sierra Leone and on the ability of Member States to provide financing.

8. The changes which had taken place in the world since the basis for financing peacekeeping operations had been established 27 years earlier demanded changes in the peacekeeping scale. In that context, he drew attention to the letter of the four successor States to the Socialist Federal Republic of Yugoslavia (A/54/725), expressing their opinion that there was no basis for assessment of a Member State which had ceased to exist, or of a State which had not yet applied for membership, namely, the Federal Republic of Yugoslavia (Serbia and Montenegro). Numerous such anomalies had made the current peacekeeping scale irrelevant. Some should be easy to correct; others would require more time and negotiation. Nevertheless, dialogue among Member States was necessary to reach an agreed solution to that urgent problem.

9. Slovenia was well aware that, under a new scale, its assessment would be increased in accordance with its current level of economic development. Because of its commitment to the United Nations and to peacekeeping, however, it would participate actively in the establishment of a revised scale of assessments with a view to providing the most effective administrative, budgetary and financial arrangements possible.

10. **Mr. Priedkalns** (Latvia) said that his delegation supported the efforts of the European Union, the United States and other Member States to find a solution to the funding of peacekeeping operations and to reform the scale in order to increase efficiency. The elements of the scale should be discussed thoroughly and openly in the Committee. Latvia supported the position of the European Union regarding payment of assessed contributions in full and on time and the principle of capacity to pay. It also believed that there were sound arguments for adopting a ceiling for contributions. It was inappropriate for only a few Members to carry a disproportionately large share of the expenses, and by implication, of political influence. Excessive dependence on a few countries was not sound policy.

11. Latvia had thus decided to review its peacekeeping assessment and to consider a gradual process of renouncing the benefit it currently enjoyed through its group C status. It would implement its decision at the appropriate time, in the light of the decisions of the Committee regarding the scale.

12. **Mr. Zahid** (Morocco) paid tribute to those who, by their service in United Nations peacekeeping operations, risked their lives in the service of peace. His delegation also associated itself with the statement by Nigeria on behalf of the Group of 77 and China.

13. The current situation led his delegation to believe that a review of the special scale for peacekeeping operations was necessary in order to reflect new realities. The Committee should examine the issue in depth and give consideration to the many views expressed in the debate. Any examination of the question must take into account the special responsibility for peacekeeping operations of permanent members of the Security Council, the capacity of economically developed countries in that area, and the limited capacity and responsibility of less developed countries, African countries in particular, for the financing of such operations.

14. His country took a special interest in peacekeeping, as it was actively involved in preparations for its participation in the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and its significant participation in MINURSO. It would continue to share its experience drawn from 40 years of participation in peacekeeping.

15. **Ms. Achouri** (Tunisia) said that, like many Member States participating in the debate, Tunisia had always contributed to peacekeeping operations, and in fact was preparing to participate in the newest mission on the conflict-plagued African continent, in the Democratic Republic of the Congo.

16. The recent crisis in Sierra Leone had drawn attention to the question of peacekeeping financing and to the need for a coherent system. There had been calls for the reform of the current ad hoc system for some ten years, and she hoped that the Committee would finally face the issue. Everyone was aware of the difficulties, especially financial, which the Secretariat faced in fulfilling all the mandates established by the Security Council.

17. The Committee must conduct a substantive debate on the scale of assessments for peacekeeping operations, maintaining as its guiding principles the special responsibility for peacekeeping of the permanent members of the Security Council and capacity to pay, neither of which had been questioned by any of the speakers in the discussion thus far. The current group system should be maintained, but movement between groups should be made easier. The situation would be greatly improved, however, if all members met their peacekeeping obligations in full.

18. **Ms. Ibraimova** (Kyrgyzstan) said that peacekeeping, although not mentioned in the Charter, had become one of the vital functions of the Organization. Since the establishment of the first peacekeeping mission in 1948, the United Nations had played a key role in resolving wars and conflicts. The people of many countries were grateful to the United Nations for promoting peace, security and stability in their homelands.

19. Her delegation supported the proposal to continue the discussions on revision of the peacekeeping scale of assessments.

20. **Mr. Pérez Otermin** (Uruguay) said that, although his country was small in size, it had contributed approximately 10,000 troops to peacekeeping operations over the years. Its support for such operations would continue, whatever the financial or human cost. His delegation understood that the maintenance of peace and security was one of the fundamental duties of the United Nations, but it did not believe that it was its most important duty. The Charter had established others of equal value, including the duty of States to assist in the development of other States, which was the greatest contribution they could make to peace. A dollar contributed towards development was much more profitable than a dollar intended for peacekeeping.

21. His delegation fully supported the request of South Africa to be relocated from group B to group C.

22. Concerning the peacekeeping scale, his delegation was always open to new ideas, but a number of doubts had been expressed about the procedure being followed and whether the Committee was the appropriate venue for a review of the scale. It would be helpful to hear the expert opinions of the relevant Secretariat departments and United Nations bodies on that subject.

23. As a member of the Group of 77, his delegation fully endorsed the statement made by Nigeria on its behalf. His delegation would not support any change to the peacekeeping scale of assessments that would mean that the rich countries paid less and the poor countries paid more. Such an outcome ran counter to the Charter, all resolutions on the subject, and rational domestic economic policy.

24. Finally, because of their veto power, the five permanent members of the Security Council could not be put on the same footing as the other members of the Council or the other Members of the United Nations and should, therefore, bear a larger share of the burden of contributing to peacekeeping.

25. **Mr. Abdalla** (Libyan Arab Jamahiriya) said that his delegation supported the statement made by the representative of Nigeria on behalf of the Group of 77 and China. It also supported the statement made by the representative of Singapore, who had expressed the views of many developing countries. The United Nations had a paramount role to play in peacekeeping operations.

26. Consideration of the peacekeeping scale should be postponed until the scale of assessments for the regular budget had been discussed, since the former was based on the latter, and the issue was, in any case, not an item on the agenda for the current session. Any steps taken to include it as an agenda item would be improper and in contravention of rules 13 to 15 of the rules of procedure of the General Assembly, and could create a precedent. The Committee's programme of work was, in any case, already extremely full. Nevertheless he was willing to listen to delegations' views, subject to the approval of the Group of 77 and China, on the understanding that that would not be in any way interpreted as tacit agreement to participate in any formal or informal consultations on the issue at the current session.

27. He questioned the validity of rejecting the current system on the ground that it had been employed for more than 27 years and was therefore obsolete: the current meeting of the Committee would have little legitimacy if the Charter of the United Nations, adopted 55 years previously, were likewise to be considered obsolete.

28. **Mr. Šerkšnys** (Lithuania) said that his delegation aligned itself with the statement made at the 65th meeting by the representative of Portugal on behalf of the European Union and associated countries. Peacekeeping was the essential function of the United Nations, and effective arrangements for its implementation must be in place. Accordingly, discussions should be held on the comprehensive revision of the current scale of assessments for peacekeeping operations, which had been established in 1973 on an ad hoc basis, to bring it into line with current economic realities. The revised scale should ensure that peacekeeping expenses were distributed equitably according to Member States' capacity to pay and should be based on clear and objective economic criteria. Lithuania was strongly committed to the principle of capacity to pay, since it had been over-assessed for a number of years as a result of the distortions created by the scheme of limits. Capacity to pay should be a core element of the methodologies for calculating Member States' assessed contributions to the Organization's budgets.

29. Lithuania admired the decision of some countries to move voluntarily from group C to group B of the peacekeeping scale. However, such unilateral steps did not address the main concern, which was the revision of the methodology for calculating peacekeeping contributions. Consensus should be reached on objective criteria and methods for grouping countries according to their economic development and, in particular, their national per capita income. Lithuania was prepared to consider all proposals on that subject, including the establishment of new country groupings or the introduction of a mechanism that would provide for gradual and incremental increases in the shares of some countries.

30. **Mr. Volski** (Georgia) said that he shared the views of a number of delegations on the great importance of the issue of peacekeeping financing and on the fact that the current state of peacekeeping financing was clearly inadequate to cope with contemporary problems. The excessive amount which had been assessed on Georgia since it had joined the Organization had been calculated on the basis of economic information from the time when Georgia had been part of the Soviet Union, and did not reflect factors such as exchange rates and the damage to Georgia's economy as a result of war. The scale of assessments undoubtedly required more careful consideration and, if necessary, a thorough revision. In that connection, the arguments put forward by the United States delegation seemed well founded. The Committee must reach a definite decision at the next session of the General Assembly. Financial problems could not be allowed to erode the Organization's responsibility for preserving peace, stability and human life, *inter alia*, in Georgia.

31. **Mr. Daka** (Zambia) said that he associated himself with the statement made on behalf of the Group of 77 and China and that he supported any measure that would improve the financing of peacekeeping operations. The current problems with the financing of such operations, especially in Africa, could not be ignored. He thanked the countries which had voluntarily increased their peacekeeping assessments. It must be borne in mind that development was not possible without peace. Lastly, he fully supported the request submitted by South Africa for relocation from group B to group C.

32. **Mr. Albrecht** (South Africa) thanked the delegations and groups of countries which had supported his Government's request for reclassification. He asked when informal consultations would be held on the issue, and trusted that a decision would be taken at the current part of the resumed fifty-fourth session.

33. **Mr. Halbwachs** (Controller) said, in reply to a question posed by the Cuban delegation at the preceding meeting, that the level of financial and human resources proposed for the support account was adequate to support current peacekeeping operations. The amount proposed took into account, *inter alia*, the establishment of the United Nations Interim Administration Mission in Kosovo (UNMIK), the United Nations Transitional Administration in East Timor (UNTAET), the United Nations Mission in Sierra Leone (UNAMSIL) and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), as well as the extension of the United Nations Mission in the Central African Republic (MINURCA). Budget proposals in relation to peacekeeping were made on the basis of what was known and what could be foreseen. His introductory statement on agenda item 151 had underscored the volatility and unpredictability of peacekeeping operations; in that connection, he recalled that, the previous autumn, the Committee had been asked to approve additional resources for the support account after the General Assembly had approved the level initially proposed. If developments during the year so required, the Secretariat would re-evaluate the requirements of the support account.

34. In reply to the representative of the Islamic Republic of Iran, he said that the rapidly deployable mission headquarters had never been operational. The General Assembly, in its resolutions 53/12 and 53/58, had requested the Secretary-General to further develop that concept. Accordingly, the concept of a rapid deployment management unit had been developed in the light of changes in the nature and scope of peacekeeping activities; details of the proposal could be found in document A/54/800, paragraphs 18 to 49.

35. Lastly, in reply to the Chinese delegation's question as to whether the Committee had a mandate to take a decision on the request for posts for the proposed rapid deployment management unit before the latter had been considered by the Special Committee on Peacekeeping Operations, he said that it was not for the Secretariat to answer that question. However, the Secretariat had included that request for

posts in its proposed budget for the support account on the assumption that the Committee would be in a position to take a decision. Since a stand-by capacity was essential, he hoped that the Committee would endorse the Secretary-General's proposals in that regard.

36. **Mr. Darwish** (Egypt) asked whether informal consultations would be scheduled, before the end of the current part of the resumed session, on the review of the scale of assessments for peacekeeping operations, since many delegations, including his own, had requested such consultations.

37. **The Chairman** said that, although some delegations had expressed an interest in following up the formal discussions held on the subject, others felt that there should be no such follow-up. There was a wide range of opinions on whether the Committee had time to consider that issue and on the procedures for doing so. Moreover, the Committee's programme of work at the current part of the resumed session was very full. She suggested that the Bureau of the Committee should discuss the subject the following day, with a view to proposing a decision based on the Committee's programme of work and in consultation with the coordinators of informal consultations on various items. The Bureau would also decide when to schedule informal consultations on South Africa's request for reclassification.

38. **Mr. Abdalla** (Libyan Arab Jamahiriya) said that the Chairman had addressed a number of his concerns. His delegation supported the request made by many Member States for the holding of informal consultations.

Agenda item 118: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 164: Human resources management (*continued*)

Gratis personnel provided by Governments and other entities (continued) (A/C.5/54/54)

39. **Mr. Beissel** (Office of Human Resources Management), introducing the report of the Secretary-General on gratis personnel provided by Governments and other entities (A/C.5/54/54), said that it covered the first three months of 2000. It indicated that the number of type II gratis personnel had been reduced from 18 to 1 during that period. In a letter addressed to the President of the General Assembly (A/54/734), the Secretary-General had announced the Organization's intention to accept gratis personnel for a second time in relation to the conduct of forensic investigations in Kosovo. Currently about 50 gratis personnel were working in Kosovo.

40. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Secretary-General's report on gratis personnel had been submitted in response to a request, in paragraph 6 of General Assembly resolution 51/243, for quarterly reports on the acceptance of gratis personnel, with a view to ensuring compliance with the provisions of that resolution. During the period from 1 January to 31 March 2000 the number of gratis personnel had been reduced from 18 to 1. The one remaining person was a water and sanitation expert working for the Department of Peacekeeping Operations/Field Administration and Logistics Division and assigned to UNTAET. That individual's contract was due to expire at the end of May 2000.

41. The Secretary-General's report also provided data on type I gratis personnel. In paragraph 13 of its report on gratis personnel (A/52/890), the Advisory Committee had indicated that the personnel of the United Nations Special Commission (UNSCOM) worked under special service agreements and that support costs were funded from the frozen assets or voluntary contributions related to Security Council resolutions 778 (1992) and 986 (1995). The Advisory Committee had also indicated that type I gratis personnel were governed by administrative instruction ST/AI/231/Rev.1, which applied to gratis personnel performing functions of a purely technical and operational nature funded through voluntary contributions.

42. The Advisory Committee had sought further information on the request for gratis personnel with specialized forensic skills for the International Tribunal for the Former Yugoslavia, since no provision for such personnel had been included in the proposed budget for the Tribunal for 2000. However, the newly appointed Prosecutor had indicated that investigative work should be conducted and that additional help would be needed. The Advisory Committee had requested that the issue should be clarified in the Fifth Committee (A/54/645, para. 42). The appropriation recommended by the Advisory Committee and approved by the General

Assembly in resolution 54/239 did not provide for the investigative work associated with the additional crime sites. The Secretary-General, in his letter to the President of the General Assembly (A/54/734), had indicated that the proper investigation of events in Kosovo, and the effective implementation of the mandate of the Tribunal, dictated that the remaining sites should be investigated; that that work could not be accomplished during 2000 without the additional assistance of Member States; that he intended to approve the Prosecutor's request to accept gratis personnel for the purpose of conducting forensic investigations in Kosovo in 2000 for a limited period of six months; and that the Tribunal's acceptance of gratis personnel would comply with General Assembly resolutions 51/243 and 52/234.

43. **Mr. Hays** (United States of America) recalled that his delegation had accepted, with some misgivings, the General Assembly's 1997 decision to eliminate most type II gratis personnel from the United Nations system. At that time, United States military officers had accounted for 13 of the 111 gratis military officers in the Department of Peacekeeping Operations. As his delegation had feared, the Organization had lost much-needed expertise for the planning and execution of peacekeeping operations. The current problems in Sierra Leone might be partly attributable to that diminished capacity.

44. General Assembly resolution 51/243 had provided for exceptions allowing the temporary use of highly specialized gratis personnel in specific circumstances. Such circumstances would continue to arise and the Organization must be able to obtain the necessary expertise quickly if it was to fulfil its mandates. The mechanism for addressing those needs must not be further restricted. He recalled that the Secretary-General, on 5 October 1999, had appealed to the Fifth Committee to give the Secretariat the flexibility it needed to respond promptly and effectively to new challenges. The Member States should ensure that such flexibility was available, since it would ultimately serve to meet their needs.

45. **Ms. Buergo Rodríguez** (Cuba) said that her delegation had stated repeatedly its conviction that the use of gratis personnel must be in compliance with the relevant General Assembly decisions and resolutions. The Organization should improve its personnel planning so that it would not have to resort to the excessive use of gratis personnel. Whenever exceptions were sought, the General Assembly must be provided with precise, full and specific information so that it could take an informed decision. In addition, the Advisory Committee had stated that information should be submitted on the selection process and on the participation of the Office of Human Resources Management in that process. Instead of resorting to the use of gratis personnel, the Secretariat should continue to include specific staffing needs in its budget proposals.

The meeting rose at 11.40 a.m.

United Nations A/C.5/54/SR.68

General Assembly
Fifty-fourth session

Official Records

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15 August 2000

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Fifth Committee

Summary record of the 68th meeting
Held at Headquarters, New York, on Friday, 19 May 2000, at 10 a.m.

Chairman: Mr. Darwish (Vice-Chairman) ..... (Egypt)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Other matters

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00-43908 (E)

In the absence of Ms. Wensley (Australia), Mr. Darwish (Egypt), Vice-Chairman, took the Chair.

The meeting was called to order at 10.05 a.m.

Agenda item 121: Programme budget for the biennium 2000-2001 (*continued*)

Letter dated 31 March 2000 from the Secretary-General addressed to the President of the General Assembly (A/54/819)

1. **The Chairman** drew the Committee's attention to a letter from the Secretary-General (A/54/819) concerning the financing of the International Civilian Support Mission in Haiti (MICAH).

2. **Mr. Halbwachs** (Controller) said that the Committee would recall that the General Assembly had established the Mission by resolution 54/193 and had appropriated $9.2 million under the regular budget. The important technical assistance component aimed at capacity-building, estimated to require some $14.7 million, was to be funded from extrabudgetary resources. The Secretary-General had reported in his letter of 31 March 2000 (A/54/819) that no voluntary contributions for the MICAH Trust Fund had been received at that time, so that the Mission had been launched on 16 March 2000 with only core staff in the mission area. Since then, however, $11.5 million in voluntary contributions had been received and another $1.7 million was expected shortly, bringing the total to over $13 million. Since financing for the Mission had ceased to be a problem, he suggested that his office should keep the matter under review and report to the General Assembly, if necessary, at its fifty-fifth session.

3. **Mr. Ramos** (Portugal), speaking on behalf of the European Union, said that the European Union had from the start given its full support to the creation of the International Civilian Support Mission in Haiti (MICAH) as successor to the previous missions and had particularly welcomed the refocusing of the Mission around the three main pillars of justice, human rights and police.

4. At that time the European Union had reiterated the principle that special political missions should be financed mainly from the regular budget and had insisted that the pattern of financing for MICAH, for which more than half of the budget was to come from voluntary contributions, should not be taken as a precedent.

5. The report that no voluntary contributions had been received by 31 March 2000 was all the more disturbing in that essential tasks of the Mission in relation to justice, human rights and policing, were to be financed from extrabudgetary resources. Without them, the Mission could not fulfil its mandate.

6. The European Union was very pleased to learn that the bulk of the contributions had now been paid, but hoped that in future special political missions as essential to the stability of a country as MICAH would be adequately funded.

7. **Mr. Repasch** (United States of America) said that he wished to reiterate his delegation's strong commitment to MICAH and to providing extrabudgetary funding. The new Mission was the final step in the transition from peacekeeping and policing to institution-building. Although he regretted the delay in receipt of the pledged funds, he would like to point out that the United States had provided more funding in the form of voluntary contributions to the Trust Fund than any other country.

8. **Mr. Orr** (Canada) said that he had noted from the report of the Controller that the first instalment of $1.7 million from Canada had been duly received. A second instalment would shortly be forthcoming. He would like to know how many countries had pledged and how many had paid contributions to the MICAH Trust Fund.

9. **Mr. Halbwachs** (Controller) said that the United States and Canada were the only contributors.

Agenda item 124: Pattern of conferences (*continued*) (A/C.5/54/62)

10. **The Chairman** drew attention to a letter dated 8 May 2000 from the Chairman of the Committee on Conferences to the Chairman of the Fifth Committee (A/C.5/54/62) regarding the possibility of holding the 2000 substantive session of the Committee on Conferences at the United Nations Office at Nairobi, as requested by the General Assembly in paragraph 23 of section B of its resolution 52/248.

11. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation supported the proposal contained in the letter and hoped that the Fifth Committee would quickly reach a decision on the matter, to which his delegation attached great importance. The United Nations Office at Nairobi was an important centre for developing countries.

12. **Ms. Bentley-Anderson** (United States of America) said that the proposal contained in the letter had to do not only with the United Nations Office at Nairobi but with the functioning of the Fifth Committee and the Committee on Conferences. It appeared that the Fifth Committee did not trust the Secretariat to develop a plan of action to increase utilization of the conference facilities at Nairobi, now that resources were available. It seemed to be abdicating its role as guardian of the budget by proposing actions without knowing the financial implications. Moreover, the work of the Committee on Conferences had always been and continued to be in New York.

13. Her delegation would appreciate clarification of what organizations were eligible to use United Nations conference facilities around the world. While fully supporting the concept of full utilization of the Nairobi facilities, her delegation wished to know whether any thought had been given to marketing the Nairobi facilities to other organizations or launching a campaign to sensitize Governments to their use. If Nairobi was to be the test case for all the underutilized centres, the challenge needed to be addressed with a well-thought-out plan for a responsible, predictable and documentable use of scarce resources. The Fifth Committee should not make hasty decisions without allowing the Secretariat to study the problem fully.

14. **Mr. Odaga-Jalomayo** (Uganda), speaking on behalf of the East African Community, said that the Community fully supported the statement made by the representative of the Syrian Arab Republic and wished to thank the Secretariat and the Committee on Conferences for their far-sightedness in taking the General Assembly resolution seriously and finding ways to implement it. The Committee should encourage and support the proposal of the Committee on Conferences to hold its 2000 substantive session at the United Nations Office at Nairobi and should not go back over ground already covered in December.

15. **Mr. Ramos** (Portugal), speaking on behalf of the European Union, said that in informal consultations the Union would like to have more specific information on the reasons for holding the session in Nairobi. The reasons given in paragraph 2 of the letter did not, in the Union's view, warrant the application of General Assembly resolution 1798 (XVII).

16. **Mr. Fukui** (Japan) said that his delegation shared the view that the Nairobi facilities should be more fully used and would appreciate recent data on their utilization by the United Nations Environment Programme and the Commission on Human Settlements.

17. **Mr. Orr** (Canada) said that his delegation had no objection to the holding of the 2000 substantive session of the Committee on Conferences at Nairobi. However, it was his understanding that the Committee on Conferences was a body of Member States and not of experts. If that was indeed the case, his delegation saw no reason why travel and subsistence expenses should be reimbursed.

18. **Ms. Buergo Rodríguez** (Cuba) said that her delegation reiterated its complete support for full use of all United Nations conference centres. She was pleased that the Committee on Conferences had given positive consideration to the request of the General Assembly and hoped that the Fifth Committee would also take a positive decision.

19. **Mr. Park Hae-yun** (Republic of Korea) said that his delegation was not against holding the 2000 session of the Committee on Conferences at Nairobi but would like to hear the reasons in greater detail and discuss the matter further in informal consultations.

20. **Mr. Mirmohammad** (Islamic Republic of Iran) said that his delegation was fully supportive of any initiative to increase the use of the Nairobi conference facilities. In its resolution the General Assembly had requested the Committee on Conferences to come up with a proposal. Now that it had done so, the Fifth Committee was obliged to give it positive consideration.

21. **Mr. Kandanga** (Namibia) said that his delegation aligned itself with the views expressed by Uganda and the Syrian Arab Republic. In supporting the holding of the 2000 substantive session of the Committee on Conferences in Nairobi, the Fifth Committee would not be taking a hasty decision, since the matter had been discussed extensively in December.

22. **Mr. Bouhadou** (Algeria) said that his delegation, as a member of the Committee on Conferences, strongly supported the proposal and would like, in informal consultations, to reopen the issue of travel costs.

23. **Mr. Elgammal** (Egypt), **Mr. Daka** (Zambia) and **Mr. Abdalla** (Sudan) said that their delegations were also in favour of a positive decision regarding the proposal to hold the 2000 session of the Committee on Conferences at the United Nations Office at Nairobi.

24. **Mr. Medina** (Morocco) said that his delegation was confident that all questions could be answered in informal consultations and hoped the Committee could arrive at a speedy decision.

25. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation wished to raise a number of issues concerning Conference Services. He had noted with great regret that implementation of the provisions of General Assembly resolution 54/248, section B, paragraph 11, was very limited. The Secretariat had provided only limited interpretation services to the preparatory conferences for Beijing+5 and the 2000 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons.

26. His delegation also wished to express its dissatisfaction with regard to the letter addressed to the delegation of the Syrian Arab Republic in Vienna by the Office for Drug Control and Crime Prevention, in which it had intimated that the documents for the ninth session of the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime, to be held in Vienna from 5 to 16 June 2000, would be provided in the six official languages in electronic form, notwithstanding the assurances frequently given by the General Assembly to the effect that the use of new technology would have no effect on the traditional method of document distribution. His delegation wished to know when a discussion would be held on that matter, which was to be considered at the resumed session.

27. **Mr. Riesco** (Assistant Secretary-General for General Assembly Affairs and Conference Services), responding to the questions raised by the Syrian representative, said that, pursuant to General Assembly resolution 54/248, section B, paragraph 11, interpretation services were provided to the extent that such services were available. That notwithstanding, the Secretariat had been making special efforts to provide services, despite a record high level of meetings activities in recent weeks. In one week alone, for example, Conference Services had managed to service 18 meetings of the Group of 77 and China. The Department was also servicing meetings on weekends. The Secretariat would do its utmost to ensure that as many requests as possible were met.

28. With respect to the second issue, he was not aware of the document the Syrian representative had mentioned, but would make the necessary enquiries of the appropriate departments in Vienna. It was his understanding that when documents were published electronically, hard copy versions were also made available.

Agenda item 118: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/54/427)

29. **The Chairman** proposed that the Fifth Committee should recommend to the General Assembly the adoption of the following draft decision:

> "*The General Assembly,*
>
> "*Takes note* of the report of the Secretary-General on the Guidelines for Internal Control Standards, taking into account the Guidelines approved by the International Organization of Supreme Audit Institutions, contained in document A/54/427".

30. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation would, in a spirit of flexibility, agree to the adoption of the draft decision, regardless of the fact that, once again, it had not been submitted to the Board of Auditors for consideration. He stressed that, in future, he would not agree to the adoption of any draft decisions which delegations had had less than 24 hours to consider. Furthermore, any amendment to the draft decision would need to be discussed in informal consultations. He hoped that there would be no further instances of informal consultations having to be held during meetings because amendments had been made to draft decisions without consulting delegations.

31. **Mr. Odaga-Jalomayo** (Uganda) said that, while he had no problem with the draft decision, he wished to recall that the Advisory Committee had indicated that the Guidelines were too general to be operational. In that regard he wondered whether the Secretariat could explain the difference between incorporating the Guidelines and publicizing them, and what the impact of each option would be.

32. **Mr. Mirmohammad** (Islamic Republic of Iran) said that, because of the views of the Advisory Committee and the Board of Auditors on the use of the

Guidelines, his delegation was unable to take note of the revised draft amendment; it could only take note of the report contained in A/54/427.

33. **Ms. Mahmud** (Department of Management) said that, following a recommendation of the Office of Internal Oversight Services (OIOS), the Secretary-General had proposed that a formal reference to the Guidelines should be included in the Financial Regulations and Rules. The Advisory Committee had discussed the matter and consulted the Office of Legal Affairs and the Board of Auditors and decided that it was preferable not to amend the Financial Regulations and Rules of the Organization. The Secretariat had accepted the Advisory Committee's recommendation that there should be no formal adoption of the Guidelines, since the spirit of the Guidelines was already an integral part of operating procedures. Therefore, the OIOS recommendation had already been implemented, albeit informally.

34. **Mr. Repasch** (United States of America) said that, as previously indicated, his delegation believed that the standards promulgated by the International Organization of Supreme Audit Institutions (INTOSAI) should be adopted and included in the Financial Regulations and Rules of the Organization. He had noted that the Board of Auditors and the Advisory Committee saw things differently and, therefore, had gone along with the approval of the draft decision. However, it was important to note that, in many instances, such as those mentioned in the report of the Board of Auditors on peacekeeping, the Organization had found itself in difficult positions because of abuse, fraud and mismanagement owing to weak internal controls. The Fifth Committee should not abdicate its responsibility to ensure that internal controls were as strong as they could be. His delegation wondered why the Committee had not accepted the collective wisdom of INTOSAI, since most of the member delegations of the Committee were also members of that body. His delegation expected the Secretary-General to comply as much as possible with the Guidelines for Internal Control Standards promulgated by INTOSAI.

35. **Ms. Buergo Rodríguez** (Cuba) said that the report of the Secretary-General clearly reaffirmed the views of the Advisory Committee and the Board of Auditors on the incorporation of the INTOSAI Guidelines. The best decision would be to take note of the report of the Secretary-General, without going into any further details concerning the Guidelines, which were clearly reflected in the report.

36. **Mr. Orr** (Canada), referring to paragraph 7 of the report of the Secretary-General contained in document A/52/867, expressed the hope that, when the new Regulations and Rules were submitted to the General Assembly at its fifty-fifth session, the Secretary-General would ensure that they were consistent with the INTOSAI Guidelines. Moreover, pursuant to article X of the Financial Regulations and Rules, the Secretary-General was responsible for ensuring that the new Regulations and Rules were consistent with the Guidelines.

37. **Mr. Nakkari** (Syrian Arab Republic) said that the issue of the incorporation of the Guidelines had been before the Committee for two years. Pursuant to the General Assembly's request that it should be more extensively considered, the issue had been referred to the Board of Auditors, which, like the Advisory Committee, was not in favour of incorporation. The same conclusion had been reached by the Fifth Committee. The Secretary-General could issue the Guidelines for the Secretariat to use without them being binding. He therefore proposed that note should be taken of the report: any further action might give rise to differences that would need to be settled in informal consultations.

Other matters

38. **Mr. Medina** (Morocco) referred to the information circular on the 2000 competitive examination for Arabic Language Coordinator (ST/IC/2000/33). In addition to Arabic as a main language, it was indicated in paragraph 5 (g) that a working knowledge of English was required, and that knowledge of other official languages was desirable. Such requirements would exclude Arabic-speaking candidates without a sound grasp of English and he wondered how that issue could be addressed. The previous year, a competitive examination had been cancelled because of similar concerns.

39. **Mr. Riesco** (Assistant Secretary-General for General Assembly Affairs and Conference Services) said that, to the best of his knowledge, the post of Arabic Language Coordinator fell within the purview of the Office of Human Resources Management.

The meeting rose at 11.20 a.m.

United Nations A/C.5/54/SR.69

General Assembly
Fifty-fourth session

Official Records

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17 August 2000

Original: English

Fifth Committee

Summary record of the 69th meeting
Held at Headquarters, New York, on Monday, 22 May 2000, at 10 a.m.

Chairman: Ms. Wensley ..... (Australia)
later: Ms. Buergo Rodríguez (Vice-Chairman) ..... (Cuba)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Analysis of the organizational structure and the personnel and technical resources of the Non-Governmental Organizations Section of the United Nations Secretariat (continued)

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00-44216 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 132: Financing and liquidation of the United Nations Transitional Authority in Cambodia

Agenda item 148: Financing of the Military Observer Group of the United Nations Verification Mission in Guatemala (A/54/669 and Corr.1 and A/54/841)

1. **Mr. Yeo** (Director, Peacekeeping Financing Division), introducing the report of the Secretary-General on losses of United Nations property in peacekeeping operations (A/54/669 and Corr.1), said that the report, which had been submitted pursuant to General Assembly resolutions 53/230 and 53/235, provided statistics on losses of United Nations property in peacekeeping missions during the period from 1 January 1996 to 31 December 1997. In compiling the report, the Secretariat had used the same categorization and methodology as that followed in the report covering the three years from 1 January 1993 to 31 December 1995 (A/53/340). Because of the vast size of the property holdings of the United Nations Peace Forces (UNPF), data on the loss of assets in UNPF during the period under review was presented separately in annex II to the report. Additional information on the disposal of assets by UNPF was available in the report of the Secretary-General on the financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (A/52/792). The report before the Committee also contained information on the causes of losses and the measures taken to mitigate losses. In paragraph 21, it was recommended that the General Assembly should take note of the report.

2. **The Chairman** recalled that the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had referred to the report of the Secretary-General on losses of United Nations property in peacekeeping operations (A/54/669 and Corr.1) when he had introduced the report of ACABQ on the financing of the United Nations peacekeeping operations (A/54/841).

3. **Mr. Wharton** (United States of America), noting that stolen property accounted for 42 per cent of the total losses incurred in terms of inventory during the reporting period (A/54/669, table 1) and that vehicles were especially prone to theft, asked what measures were being taken to better safeguard United Nations property in general and vehicles in particular, and whether those measures were being implemented in all peacekeeping missions. He also wished to know whether the field asset control system had proven to be effective in detecting losses and holding mission personnel accountable. In that connection he would welcome clarification regarding the status of the review of the proposal to amend the delegation of authority to field missions so as to permit local property survey boards to assess United Nations personnel up to $500. With respect to the practice of withholding two weeks of mission subsistence allowance entitlements from United Nations military and civilian police observers responsible for losses of or damage to United Nations property, he noted with concern that, in a number of such cases, the amounts retained had proven to be insufficient to compensate the Organization and asked what further measures the Secretariat took in such cases.

4. With respect to annex I, he noted that the residual value of the 105 transport vehicles lost because of accidents in 1996 was $708,455, whereas that of the 115 stolen vehicles was $104,723, resulting in average residual values of about $6,700 and $910 per vehicle respectively. The same disparity was to be observed in the figures relating to data-processing equipment, telephone equipment, test and workshop equipment, generators and office equipment, while no figure was provided for the residual value of stolen office furniture. Property lost because of theft had been systematically undervalued. Lastly, regarding annex II, he asked whether the long-overdue measures implemented to mitigate losses would be sufficient to prevent losses of the magnitude of those incurred in UNPF, which had an inventory value of almost $38 million.

5. **Mr. Persaud** (Field Administration and Logistics Division) said that the measures implemented by the Secretariat to mitigate losses were described in paragraphs 24 to 30 of the report covering the period from 1 January 1993 to 31 December 1995 (A/53/340). Further measures had been taken during the period under review. However, the benefits obtained would be apparent only when the statistics for the period from 1 January 1998 to 31 December 1999 became available. According to the data received thus far,

losses due to theft had declined continuously since 1995, with the sharpest fall occurring in 1997.

6. The field asset control system had been functional in all missions only since late 1999 and required further improvement. When the system was fully operational, it would be able to account for all non-expendable assets, including those valued at under $1,500.

7. In March 2000, it had been decided to delegate to field missions authority to take decisions in cases involving lost assets valued at under $500. In all other cases, the missions were required to submit a report to the Property Survey Board. Timely submission of such reports would reduce the write-off for uncollectable amounts. The practice of withholding two weeks of mission subsistence allowance entitlements from United Nations personnel responsible for losses of or damage to United Nations property had proven to be an adequate means of dealing with such cases.

8. A number of steps had been taken to better protect transport vehicles against theft, including the installation of devices that disabled vehicles when they were not in operation. The low residual value of transport vehicles stolen in 1996 was attributable to the fact that the Organization had lacked the necessary funds to replace vehicles in existing missions or to provide new vehicles to the peacekeeping missions established in that year. Instead, vehicles had been transferred from the United Nations Transitional Authority in Cambodia following its liquidation. In 1997, funds had become available to purchase replacement vehicles. Therefore, the residual value of vehicles stolen in that year was significantly higher. The same situation had obtained in respect of certain other categories of equipment.

9. Regarding annex II, he said that the field asset control system had yet to capture data on certain items of property and equipment sent to missions prior to its introduction. The Division was addressing that problem and anticipated that all outstanding items would be accounted for by the end of the current fiscal period on 30 June 2000. It must also be borne in mind that, in a number of cases, losses had occurred because of hostilities.

10. *Ms. Buergo Rodríguez (Cuba), Vice-Chairman, took the Chair.*

11. **Mr. Farid** (Saudi Arabia) said that in paragraph 22 of the report of ACABQ on the financing of the United Nations peacekeeping operations (A/54/841), the Advisory Committee recommended that an analysis should be undertaken to determine the effect of continuing high vacancy rates on mission operations. His delegation wished to know whether that analysis had been undertaken and whether vacancies in field missions were included in the Vacancy Announcement Bulletin issued by the International Civil Service Commission.

12. **Mr. Wharton** (United States of America) said that it was still not clear to him why the average residual value of equipment stolen in 1996 was so much lower than that of equipment lost because of accidents. He asked what additional improvements were to be made to the field asset control system and when the system, which was already functioning in all missions, would be deemed fully operational.

13. **Mr. Persaud** (Field Administration and Logistics Division) said that the analysis to which the representative of Saudi Arabia had referred would be undertaken over the next two months. Its outcome would be indicated in the budget proposals for individual peacekeeping missions for the period 2000-2001. All vacancies in field missions were posted on the United Nations web site. In addition, when specialists in a particular field were required, vacancy announcements were circulated to the relevant professional bodies.

14. With respect to the points raised by the representative of the United States, he said that the vehicles used in field missions ranged from jeeps to minibuses and trucks. The theft of a large item, such as a truck, would inflate the total residual value of transport vehicles stolen, giving an artificially high average residual value per item. Thus, no meaningful conclusions could be drawn by comparing the average residual value of vehicles lost because of accidents and that of stolen vehicles.

15. The improved field asset control system would account for all non-expendable assets, including those valued at under $1,500, as well as expendable items, which were not currently accounted for. In addition, the system would contain more information on specific items of equipment, which would produce a number of benefits. For example, efforts would be made to ensure that replacement vehicles were of a similar type to

those already in use in the various field missions so as to reduce the number of spare parts required.

16. **Mr. Wharton** (United States of America) said that he remained convinced that the value of stolen equipment was being understated. He did not believe that the loss of a single truck could have skewed the figures for 1996, given that 226 vehicles had been lost in total. The disparity between the residual value of items lost because of accidents and that of stolen items was apparent not only in respect of transport vehicles, but also in other major categories. Yet there was no disparity in the figures for 1997. It was to be hoped that, in future, the Secretariat would scrutinize information received from field missions more closely.

17. **Mr. Persaud** (Field Administration and Logistics Division) said that neither the Secretariat nor the field missions had sought to deliberately understate the losses incurred. The quality of the relevant data would no doubt improve with the introduction of the field asset control system.

Agenda item 118: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Reports of the Office of Internal Oversight Services (*continued*) (A/54/764, A/54/817 and A/54/836)

18. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the follow-up to the 1996 review of the programme and administrative practices of the United Nations Environment Programme (UNEP) (A/54/817), recalled that OIOS had undertaken in 1996 an in-depth review of the United Nations Environment Programme and the administrative practices of its secretariat, including the United Nations Office at Nairobi. A report on the findings, including recommendations, had been issued in February 1997 (A/51/810). A follow-up inspection, conducted in 1999, had indicated that the new management team at UNEP had concentrated its efforts on addressing the recommendations made by the Secretary-General's 1998 Task Force on UNEP and Habitat as well as the issues raised by OIOS in the 1996 in-depth review. The Executive Director had initiated a number of new reform measures to enable UNEP to carry out its refocused role, as defined by the Nairobi Declaration.

19. After a careful review of those reform measures, and the actions taken in compliance with the mandate of its Governing Council and with General Assembly resolution 53/242, OIOS had concluded that UNEP was moving in the right direction and had recaptured the confidence of its stakeholders. There were visible indicators that the Governing Council and the Executive Director had succeeded in transforming UNEP into a viable United Nations entity that should be able to effectively fulfil its mandate. On the basis of that conclusion, OIOS had made 11 new recommendations. Those related to enhanced transparency in relations with donors and Member States, delegation of authority in administrative matters from the Executive Director to the managers directly responsible for programme delivery, strengthened staff-management relations, and institutionalization of systemic feedback mechanisms to assess the usefulness of implemented programmes to end-users. Those recommendations had been accepted by UNEP management. Comments with regard to action to be undertaken to implement them were indicated in chapter IX of the OIOS report.

20. Introducing the report of OIOS on follow-up to the 1997 review of the programme and administrative practices of the United Nations Centre for Human Settlements (Habitat) (A/54/764), he recalled that the findings and recommendations of the original inspection had been submitted to the General Assembly in document A/51/884.

21. The report assessed the progress made in implementing the previous recommendations of OIOS. It also addressed the efforts of the new management to revitalize the Centre through a new strategic vision, a focused work programme, a streamlined administrative structure and stronger linkages between its operational and normative activities. OIOS had found encouraging signs of a new emerging culture in Habitat, a culture that put a premium on initiative, creativity and flexibility. The overall conclusion was that the revitalization of Habitat had been given a solid conceptual start and visionary strategic direction. However, due to the historical legacy of serious unresolved problems in the areas of financial and personnel management, progress in those areas lagged behind programmatic revitalization. Eleven new recommendations made in the report were aimed at specific measures to realize necessary improvements in personnel and financial management.

22. All recommendations had been accepted by the management of the Centre. Relevant comments could be found under each recommendation and the implementation of the OIOS recommendations was currently under way.

23. Introducing the report of OIOS on the audit of the Human Rights Field Operation in Rwanda (A/54/836), he said that the Rwanda operation had been the first human rights field operation ever established by the Office of the High Commissioner for Human Rights (OHCHR), and had been a key element in the international community's response to the emergency following the massacres and genocide which had taken place in Rwanda in 1994. From its inception in September 1994 through closure in July 1998, the expenditures of the operation had totalled $30.2 million.

24. The OIOS audit, which had been requested by OHCHR with a view to learning lessons from the operation, had sought to review the adequacy of the Field Operation's internal controls to ensure proper accountability and compliance with relevant United Nations regulations and rules; and to assess whether value for money had been obtained in the use of United Nations resources. Although the findings of the audit had been initially reported to OHCHR in early 1999, the report should help the Organization to reflect on lessons learned from the Operation and take stock of management actions to strengthen controls in OHCHR field operations.

25. As discussed in the report, OIOS had found that there had been serious breakdowns in communications and cooperation between OHCHR headquarters and the field; headquarters oversight and control had been inadequate; and some field staff had lacked the necessary skills and expertise, had not been adequately trained, and had not received sufficient guidance from OHCHR. Moreover, internal controls relating to finance, personnel, procurement and property management either had not been in place or had not functioned effectively, while standard operating procedures had not been implemented, thereby exposing the Field Operation to a considerable risk of fraud. The Operation had also lacked accountability in handling cash.

26. The Field Operation had implemented projects worth approximately $1 million, financed by different United Nations entities, without the knowledge of or authorization by OHCHR management in Geneva. Posts had not been classified, and post levels had not been based on an approved staffing table. Procurement actions in the field had deviated widely from standard United Nations practices. Suppliers of goods and services had been selected without specific criteria or procedures, and contracts for relatively large amounts had been awarded without calling for bids or proposals. The operation had not established an adequate property management system for its non-expendable property, valued at approximately $2 million. Liquidation planning and allotment controls had been inadequate. Also, there had been discrepancies in the amounts of property transferred and sold to other OHCHR operations and United Nations entities.

27. He was pleased to note that, based on the results of the audit, OHCHR had recognized the need to fundamentally change the administration of its field operations to improve management accountability. OIOS took note of the steps taken and planned by OHCHR management to implement OIOS recommendations, which were summarized in the annex to the report. OIOS was continuing to work with OHCHR management in the shared goal of improving the administration and financial management of human rights field operations. Since completing the audit of the Rwanda Operation, OIOS had conducted audits of OHCHR headquarters administration, field support services, and field operations in Burundi and Cambodia.

28. **Mr. Orr** (Canada), referring to the Field Operation in Rwanda, said that it was rather shocking that OHCHR had undertaken such a costly operation without drawing on experience and lessons learned in other parts of the United Nations system; it seemed to be admitting that, since it had been the first time it had conducted such an operation, it had not known how to go about it. In the light of paragraph 10 of the report, his delegation wondered who had been responsible for the financial management and supervision of the operation, since the Chief of the Administrative Unit of the Operation had apparently not exercised those responsibilities. It seemed that OHCHR management in Geneva had been content to write a series of administrative instructions rather than becoming involved in the management of the Operation. He asked what follow-up or disciplinary actions had been taken against the people responsible in Geneva. It was also surprising that no representative of the relevant

substantive departments of the Secretariat was present at the current meeting in order to respond to comments by delegations.

29. **Mr. Repasch** (United States of America) said that his delegation was concerned that all three of the reports showed weaknesses in internal controls and financial management. It was ironic that the Committee had recently decided that the internal control standards published by the International Organization of Supreme Audit Institutions should not be incorporated into the Financial Regulations and Rules of the United Nations. It was now obvious that those standards should be disseminated throughout the worldwide United Nations system.

30. Referring to the report on the OHCHR Field Operation in Rwanda, there had clearly been an elementary failure of management in that no internal controls had been established. His delegation agreed that the report should serve as a lesson learned and a precedent for future operations. OHCHR should implement fully the suggestions made by OIOS. As for the report concerning UNEP, he was pleased to note that certain programmatic aspects had improved and that a number of recommendations had been implemented. However, little had been said on the financial management of UNEP; OIOS should specify whether that was because it had found that all was working smoothly and that that aspect required no attention. Although the report showed that the Director of UNEP continued to spend considerable time away from his office in Nairobi, it was gratifying that his deputy had been present in Nairobi and had been available to focus on management issues. His delegation hoped that all the recommendations in relation to UNEP would be fully implemented.

31. As for the United Nations Centre for Human Settlements, he welcomed the improvements which had been achieved, but it appeared that the administrative support necessary to sustain the efforts of the programme remained weak. Additional attention should be given to improving management and internal controls. Generally speaking, further efforts were needed to improve monitoring and evaluation. It was currently difficult for Member States which contributed to such activities to determine how well their contributions were used; monitoring and evaluation units should therefore be strengthened.

32. He proposed that the Committee should take note of the three reports, in the expectation that the recommendations contained in them would be implemented expeditiously.

33. **Mr. Nakkari** (Syrian Arab Republic) said that each of the OIOS reports should have made reference to General Assembly resolution 54/244 as well as to resolution 48/218 B, since the later resolution had in effect been a review of the earlier one. Similarly, his delegation could not see why only paragraph 7 of resolution 54/244 had been cited in the initial paragraph of each report, a selectivity for which there was no justification and which gave cause for concern.

34. **Mr. Odaga-Jalomayo** (Uganda) noted that the reports relating to the United Nations Environment Programme and the United Nations Centre for Human Settlements did not meet the requirements of General Assembly resolution 54/244, in that the Secretary-General should have made more substantive comments and the views of the departments concerned should have been reflected in the body of the reports. His delegation agreed with most of the recommendations of OIOS and looked forward to their early implementation. Turning to the report on the United Nations Environment Programme (A/54/817), he expressed concern about the delegation of authority (para. 57), the availability of the Executive Director for dialogue with staff representatives (para. 60), and the issue of training resources (para. 63). As for the recommendation contained in paragraph 61 that a small task force should be constituted, further detail should be provided in that regard and it should be specified whether there would be any financial implications.

35. Concerning the report relating to the United Nations Centre for Human Settlements (A/54/764), he expressed the hope that every effort would be made to enhance the effectiveness of the Centre's resource mobilization (para. 75); he wished to know what steps had been taken to implement the recommendation in paragraph 77 that the Centre should seek assistance from the Archives and Records Management Section of the Office of Central Support Services; and clarification should be provided regarding the recommendation in paragraph 79 for the reclassification of posts in the new organizational structure. His delegation also strongly supported the recommendation contained in paragraph 81 relating to dialogue between management and staff.

36. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services) said that the departments concerned had accepted the recommendations and looked forward to implementing them; indeed, a system existed for tracking implementation. As for the lapses that had occurred in the operation in Rwanda, it had been the first time that an operation of such a size had been mounted. The lessons learned had now been institutionalized, and measures had been put in place to ensure that the same problems did not recur.

37. The representative of the United States of America had commented, in reference to the reports relating to the United Nations Environment Programme and the United Nations Centre for Human Settlements, that programmatic aspects had been followed up more than administrative and management issues. He agreed with that comment, but measures had now been taken to address that concern.

38. The purpose of the task force recommended for the United Nations Environment Programme (A/54/817, para. 61) was to ensure that the individuals concerned would come together with the clear objective of solving the problem at hand in a focused time-frame and as expeditiously as possible. As for the issue of the Office's mandate, the latter had been reaffirmed in 1999 and it was in that context that the observations and recommendations before the Committee had been made.

39. **Mr. Nakkari** (Syrian Arab Republic) said that he was in no way questioning the mandate granted by General Assembly resolution 48/218 B, but merely emphasizing the need also to cite General Assembly resolution 54/244, since the latter reviewed and complemented resolution 42/218 B; the mandate of OIOS was therefore dependent on both resolutions.

40. **Mr. Hae-yun Park** (Republic of Korea), referring to the Human Rights Field Operation in Rwanda, said that his delegation attached considerable significance to the failure of internal controls in finance, personnel, procurement and property management, and believed that those failures had been in large part due to inexperience on the part of OHCHR. The latter should make every effort to implement the OIOS recommendations expeditiously.

Agenda item 121: Programme budget for the biennium 2000-2001 (*continued*)

Analysis of the organizational structure and the personnel and technical resources of the Non-Governmental Organizations Section of the United Nations Secretariat (*continued*) (A/54/520/Add.1 and A/54/868)

41. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the Advisory Committee's report (A/54/868) on the report of the Secretary-General on the organizational structure and the personnel and technical resources of the Non-Governmental Organizations Section of the United Nations Secretariat (A/54/520/Add.1). Paragraph 3 of the Advisory Committee's report outlined the posts and other staff resources currently available to the Non-Governmental Organizations Section. In paragraphs 5 and 6 of its report, the Advisory Committee recalled the circumstances in which the subject had been taken up previously, as well as the reservations which the Advisory Committee had expressed and the fact that it had requested, on two occasions, a comprehensive report on the administrative and management implications of the large increase in the number of non-governmental organizations involved in the work of the United Nations. He regretted that such a report had not yet been submitted.

42. As noted in paragraph 4 of its report, the Advisory Committee had no objection to the Secretary-General's proposal to establish two additional posts in the Section. However, for the reasons indicated in paragraphs 5 and 6, the Advisory Committee had recommended that the posts should be established on a temporary basis. Lastly, the Secretariat, in preparing the comprehensive report referred to in paragraph 6, might wish to take into account the findings and recommendations contained in the report of the Joint Inspection Unit (A/51/655) entitled "Review of financial resources allocated by the United Nations system to activities by non-governmental organizations".

43. **Mr. Repasch** (United States of America) said that the Secretary-General had not made a convincing case for the establishment of two new posts in the Non-Governmental Organizations Section. He would like to know the current vacancy rates in the Section and in the Department of Economic and Social Affairs. He

agreed with the Advisory Committee that a comprehensive review of the Section was needed. Until that review was submitted, his delegation would have difficulty in considering the proposal to establish new posts.

44. **Mr. Abdalla** (Libyan Arab Jamahiriya) said he had noted that the Non-Governmental Organizations Section used the services of volunteers from various non-governmental organizations to help it to cope with its heavy workload. He wondered whether there were any special criteria for the acceptance of such volunteers, what types of non-governmental organizations they came from and whether any of them came from non-governmental organizations based in developing countries. He also asked how the Section struck a balance between the different views held by different non-governmental organizations and how it ensured fair representation of the whole range of non-governmental organizations among the volunteers it accepted. Such volunteers might influence decisions concerning non-governmental organizations in general.

45. He supported the Advisory Committee's recommendations and understood its justification for recommending the approval of two new posts. The Section must be provided with staff who held United Nations contracts and who were therefore loyal to the Organization and answerable to the Secretary-General.

46. **Mr. Odaga-Jalomayo** (Uganda) said that his Government attached great importance to the role of non-governmental organizations in the modern world and that it was willing to support any proposal by the Secretary-General that would enhance the functioning of the unit responsible for those organizations. Like the Libyan delegation, his delegation fully supported the proposal to establish two new posts in the Non-Governmental Organizations Section and concurred with the Advisory Committee's views on the subject. In view of the obviously heavy and increasing workload of the Section, he appealed to all delegations to support that request for posts. Like the United States delegation, his delegation attached importance to the submission of the comprehensive report referred to in paragraph 6 of the Advisory Committee's report. However, it saw no relationship between the submission of that report and the proposal to establish the two new posts; those issues should be considered separately.

47. **Mr. Fox** (Australia) said that he attached particular importance to the Advisory Committee's request for a comprehensive report on the impact of non-governmental organizations on the work of the United Nations. He asked when the Secretariat expected to issue that report.

48. **Mr. Sach** (Director, Programme Planning and Budget Division) said, with respect to vacancy rates, that all of the five Professional and four General Service posts in the Non-Governmental Organizations Section were currently filled; the vacancy rate was therefore zero. In the Department of Economic and Social Affairs, as at the end of March 2000, 20 Professional posts (out of 287) and one General Service post (out of 230) had been vacant, resulting in vacancy rates of 7 per cent and 0.4 per cent, respectively, in those two categories. The budgeted rates had been 6.5 per cent and 2.5 per cent, respectively.

49. The comprehensive report requested by the Advisory Committee would be addressed in the context of the budget proposals for the biennium 2002-2003. He confirmed that the relevant report of the Joint Inspection Unit (A/51/655) would be taken into account in the preparation of that report.

50. **Mr. Khan** (Department of Economic and Social Affairs) said that volunteers from non-governmental organizations were not used to perform substantive tasks of the Non-Governmental Organizations Section, such as the servicing of the Committee on Non-Governmental Organizations. Instead, they were used mainly for logistical and administrative support, especially when major events were taking place. Such support included tasks related to accreditation, registration, circulation of papers and so forth. The acceptance of volunteers was based solely on offers made by non-governmental organizations; the Section did not ask individual organizations or countries for volunteers.

51. **Mr. Abdalla** (Libyan Arab Jamahiriya) said that at the review of the Cairo population conference his delegation had noted a tendency to support one particular viewpoint and to marginalize others. The method of choosing speakers from accredited non-governmental organizations should be reconsidered, as it could lead to the exclusion of certain points of view.

52. Equally, the assignment of functions referred to by the representative of the Department could mean

that those entrusted with such tasks as accreditation and logistical support also represented one viewpoint only, whereby it was the responsibility of the Department to ensure the neutrality of the United Nations.

53. **Ms. de Armas García** (Cuba) said that, as a member of the Committee on Non-Governmental Organizations, her delegation was in a position to appreciate the increased workload of the Non-Governmental Organizations Section. The establishment of new posts to enable the Section to reorganize and improve its work was fully justified by the increased contribution of non-governmental organizations to the work of the United Nations system. She therefore welcomed the proposal to establish two new posts in the Section, although, considering the Section's heavy workload and reliance on volunteers, that staffing increase was insufficient.

54. She recalled a previous proposal for the reclassification of one post in the Section from P-4 to P-5; since no such reclassification was mentioned in the Secretary-General's report, she asked for information on the subject. That proposal should be approved as part of the process of strengthening the Section, especially since the post of Chief of the Section had been upgraded from P-5 to D-1, and the Section's work increasingly involved high-level contacts. It was important to strengthen the Section not only to increase the number of non-governmental organizations in consultative status, but also to monitor the work of such organizations and their contribution to the United Nations system. She agreed with the Libyan delegation that, for as long as volunteers were required in the Section, the need to ensure wide geographical distribution and to include interns from developing countries should be borne in mind.

55. **Mr. Sach** (Director, Programme Planning and Budget Division) recalled that the two reclassification proposals referred to by the representative of Cuba had been made in informal consultations on the programme budget for 2000-2001 at the main part of the fifty-fourth session. The proposal to upgrade a P-5 post to D-1 had been approved and had been reflected in the programme budget for the current biennium. However, since no consensus had been reached on the proposal to upgrade a P-4 post to P-5, it had not been reflected in the budget. The proposals in the Secretary-General's report reflected requirements as they currently stood. In the light of the Advisory Committee's report, the Secretariat would review the number and classification of the posts in the Section against the background of the comprehensive report to be submitted.

56. **Mr. Medina** (Morocco) recalled that Morocco had been one of the delegations which had been in favour of the two reclassifications (from P-5 to D-1 and from P-4 to P-5) proposed for the Non-Governmental Organizations Section. He was pleased that the Committee had agreed to the first of those proposals. While his delegation would continue to advocate the second reclassification, it was nevertheless pleased that two new posts had been proposed for the Section.

57. **Mr. Boumadou** (Algeria) said that he strongly supported the Secretary-General's proposal to establish a new P-4 post and a new General Service post in the Non-Governmental Organizations Section and that he endorsed the views expressed by the Advisory Committee. He also agreed with the United States delegation on the need for a comprehensive report on the Section's needs. However, the approval of the two new posts should not be linked to the submission of that report.

58. **Mr. Hassan** (Nigeria), speaking on behalf of the Group of 77 and China, said that, in view of the increased workload of the Non-Governmental Organizations Section, he strongly supported the establishment of a new P-4 post and a new General Service post in that Section.

The meeting rose at 12.10 p.m.

United Nations A/C.5/54/SR.70

General Assembly
Fifty-fourth session
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Fifth Committee

Summary record of the 70th meeting

Held at Headquarters, New York, on Tuesday, 23 May 2000 at 10 a.m.

Chairman: Ms. Wensley ..... (Australia)
later: Mr. Darwish (Vice-Chairman) ..... (Egypt)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*)

Administrative and financial issues concerning the Non-Governmental Organizations Section (continued)

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The meeting was called to order at 10.10 a.m.

Agenda item 118: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Reports of the Secretary-General on the activities of the Office of Internal Oversight Services (continued) (A/54/764, A/54/817 and A/54/836)

1. **Ms. Buergo Rodríguez** (Cuba), referring to the follow-up review of the programme and administrative practices of the United Nations Centre for Human Settlements (Habitat) prepared by the Office of Internal Oversight Services (OIOS) (A/54/764), said that the report reflected improvements and progress in the Centre's mission, activities and programme of work. She attached particular importance to the implementation of the new information technology strategy, the regionalization policy and training activities. However, she was concerned about the continuing shortage of resources, which was a basic problem that affected all the Centre's activities. She therefore noted with interest the proposals concerning regular budget funding for activities such as the management training programme. In the light of the outcome of the review of the Centre's work programme, the General Assembly should consider carefully the possibility of appropriating regular budget resources for the Centre's activities, particularly since it expressed concern each year about the shortage of resources and its effect on the implementation of the Centre's mandates.

2. With respect to the reference, in paragraph 27 of the OIOS report, to the delegation of authority, she asked for confirmation that the steps being taken were strictly in line with the relevant General Assembly decisions. An appropriate accountability mechanism must be put in place prior to any further delegation of authority. Lastly, the report should be considered by the Second Committee, in accordance with General Assembly decisions to the effect that substantive reports on programme activities should be considered by the relevant bodies.

3. Many of those observations also applied to the follow-up to the 1996 review of the programme and administrative practices of the United Nations Environment Programme (UNEP) (A/54/817). Once again, she welcomed the progress made in activities, but was concerned about the difficulties caused by a shortage of resources. Considering the need for adequate and predictable resources, the General Assembly should carefully consider the situation in relation to the funding of the environmental activities carried out by UNEP with a view to the possible appropriation of regular budget resources. She asked whether the recommendation contained in paragraph 57 of the OIOS report, concerning the delegation of authority to senior managers, was compatible with General Assembly decisions concerning the delegation of authority. She also asked for clarification of the link between programme planning and budgeting, which was mentioned in paragraph 61. The Second Committee should consider the OIOS report on UNEP, as well as the one on Habitat.

4. With respect to the OIOS audit of the Office of the United Nations High Commissioner for Human Rights (OHCHR) Field Operation in Rwanda (A/54/836), she shared the concerns expressed at the preceding meeting about the lack of internal controls in that operation. Paragraph 1 of the note by the Secretary-General seemed to indicate that the OIOS report was being transmitted for information purposes only, yet paragraph 4 of General Assembly resolution 54/244 had clearly directed the Secretary-General to transmit OIOS reports to the General Assembly for its consideration and action. The matter should be taken up in informal consultations. Lastly, the report had been lengthened unnecessarily by the fact that the annex to the report, which contained the observations of OHCHR, repeated the recommendations listed in chapter VII.

5. **Mr. Farid** (Saudi Arabia) said that he wished to commend the dedicated, visionary and forceful leadership provided by the Acting Executive Director of Habitat, as well as the decisive measures taken to enhance the effectiveness of the Centre's financial and management performance. He hoped that the next OIOS report on the Centre would reflect tangible improvements in those areas.

6. **Mr. Yussuf** (United Republic of Tanzania) said that he had been astonished by the findings of the report on the OHCHR Field Operation in Rwanda (A/54/836), particularly those mentioned in paragraphs 15, 20 and 22, and by the fact that OIOS had not disclosed who had been responsible for those irregularities, despite the seriousness of the problems it had identified. OHCHR seemed to be hiding behind the fact that the Rwanda operation had been its first field

mission, and yet, for that very reason, it should have assigned its best staff members. He asked whether there were any compelling reasons why the irregularities described had been allowed to take place.

7. *Mr. Darwish (Egypt), Vice-Chairman, took the Chair.*

8. **Mr. Repasch** (United States of America) said that he shared the concerns of the Tanzanian delegation. Since his Government attached great importance to the need to strengthen accountability, it would like to know what steps had been taken with respect to the managers and officers involved in the irregularities in the Rwanda operation.

9. **Ms. Abrenica** (Office of Internal Oversight Services) said, with respect to the delegation of authority in UNEP, that the Executive Director had given managers the authority to take decisions on financial and personnel administration, just as the Executive Director himself had been authorized by Headquarters to take administrative and financial decisions. In the Executive Director's absence, or in the day-to-day discharge of their duties, programme managers were authorized to recruit staff, authorize travel and otherwise decide how to spend some of the funds allocated to their projects.

10. **Ms. Celik** (United Nations Centre for Human Settlements) said that the Centre appreciated the OIOS report, which had given it clear guidance. With respect to the recommendation on resource mobilization (A/54/764, para. 75), voluntary contributions had been rising steadily and were expected to reach $4 million or more in 2000. With respect to the recommendation in paragraph 77, the Centre had upgraded its computer hardware and had finalized an information technology strategy. In cooperation with the United Nations Office at Nairobi (UNON) and the Information Technology Services Division at Headquarters, it was focusing particularly on the use of Lotus Notes as the core technical tool for the Centre's electronic institutional memory. The system would be put in place in the summer of 2000. Regarding the staffing of services to support and strengthen information management, the Centre would try to redeploy existing posts before it sought to mobilize additional resources.

11. With respect to paragraph 79, all senior management posts within the new organizational structure had been reclassified and advertised under the 100 series of the Staff Rules. The closing date for the receipt of applications for the posts of Chief of each of the three regional offices had been 17 May 2000. For most of the remaining senior management posts the departmental panels had submitted their reports and their recommendations were being reviewed by the relevant advisory bodies on appointment and promotion. New job descriptions had been prepared for all mid-level management posts, and the process of classifying those posts had been initiated. UNON was cooperating in the task of reviewing all posts and deciding whether they came under the 100 or the 200 series of the Staff Rules. All new recruitment was carried out in strict accordance with the relevant guidelines and procedures. Lastly, with respect to paragraph 81, monthly meetings were held between management and staff representatives, and staff had shown increased support for the Centre's new focus and work methods.

12. **Mr. Sniffen** (United Nations Environment Programme) said that UNEP took the recommendations of OIOS very seriously and had already taken steps to implement them. In reply to the question on resources for training and staff development which the Ugandan delegation had posed at the previous meeting, he said that such training was usually provided under the auspices of the UNON Human Resources Management Service. With respect to specialized training in the technical areas of the Programme's work, UNEP encouraged staff to take advantage either of the Organization's sabbatical leave programme, under which a number of staff members had taken advanced and accelerated courses, or of the expansion of informal networks in the Programme's areas of expertise as a result of its participation in meetings of experts.

13. In reply to the representative of Cuba, he said that the task force recommended in paragraph 61 of the OIOS report (A/54/817) had been established, and UNEP, Habitat and UNON staff were working to determine how better use could be made of UNON services. The harmonization of programme planning and budgeting was the responsibility of the Programme Coordination and Management Unit, which worked closely with OIOS and the Programme Planning and Budget Division at Headquarters to ensure that programme planning and budget monitoring were parallel processes, and with UNON to ensure that resources for planning were available to the Environment Fund.

14. **Mr. Ndiaye** (Office of the United Nations High Commissioner for Human Rights) said that the OHCHR management in Geneva recognized that many things had gone wrong with the Rwanda operation. For that very reason, the current High Commissioner had requested the audit two years earlier and had taken urgent corrective measures, as noted in the annex to the OIOS report (A/54/836).

15. OHCHR had addressed and would continue to address the implementation of each of the recommendations made by OIOS. It had introduced substantive changes and issued extensive instructions to all of its field offices, and had commissioned audit reports of each field office to head off problems such as those encountered in the Rwanda operation. Wherever possible, OHCHR had pursued recoveries from the organizations and individuals responsible for the irregularities in the Rwanda operation. It was important to note that the OIOS report contained no allegations of fraud and no evidence that large-scale losses had been incurred; the problems under discussion must be viewed in proportion. Only a week earlier, the Chief of the OHCHR Administrative Section, who had been responsible for oversight during the period of the Rwanda operation, had been replaced. To ensure that such problems did not recur, OHCHR had asked the Under-Secretary-General for Management to approve the transfer of staff with administrative and financial expertise to its Administrative Section to provide the core capacity needed to address structural problems. Proposals for strengthening that area would be requested in the context of the next programme budget, as OHCHR became increasingly operational. In the meantime OHCHR was engaging, with the Rwandan Government, in a project to support the national human rights commission on the ground.

16. **Mr. Yussuf** (United Republic of Tanzania) said he was not convinced that no large-scale irregularities had taken place in the Rwanda operation, since $1 million had been spent without the knowledge or authorization of OHCHR management. He remained concerned about the failure to hold anyone accountable for those problems. He asked whether the former Chief of the Administrative Section was still working in OHCHR or elsewhere in the United Nations system. He recalled that, when comparable irregularities had occurred at Habitat some years earlier, the persons responsible, including the former Executive Director, had paid the price. It was intriguing to note that OIOS itself failed to mention who was responsible for the problems it had found. The serious offences that had been committed could not be taken lightly.

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*)

Administrative and financial issues concerning the Non-Governmental Organizations Section (continued) (A/54/520/Add.1 and A/54/868)

17. **Mr. Demir** (Turkey) said that, since a member of the Turkish delegation was currently chairing the Committee on Non-Governmental Organizations, he had had the opportunity to confirm the need for more staff and technical support in the Non-Governmental Organizations Section. Hundreds of non-governmental organizations were in consultative status with the Economic and Social Council, and hundreds of applications for consultative status remained to be reviewed. The Fifth Committee should therefore endorse the conclusions and recommendations contained in the Advisory Committee's report (A/54/868). While he attached great importance to the comprehensive report on the administrative and management implications of the large increase in the number of non-governmental organizations involved in the work of the United Nations, which the Advisory Committee had requested in paragraph 6 of its report, he felt that the submission of that report and the need to strengthen the Non-Governmental Organizations Section were two separate issues that should not be linked.

18. **Mr. Adam** (Israel) recalled that, at the main part of the fifty-fourth session, his delegation had emphasized the need to support and strengthen the Non-Governmental Organizations Section. He therefore supported the proposal, contained in paragraph 5 of the Secretary-General's report (A/54/520/Add.1) and endorsed in paragraph 4 of the Advisory Committee's report (A/54/868), to establish two additional posts in the Section. He reiterated his delegation's concern about the Section's immense workload, and reaffirmed the importance it attached to the current and future participation of non-governmental organizations and civil society in the work of the General Assembly and the Economic and Social Council.

The meeting rose at 10.55 a.m.

United Nations A/C.5/54/SR.71

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Summary record of the 71st meeting
Held at Headquarters, New York, on Thursday, 25 May 2000, at 10 a.m.

Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*)

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00-44888 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 142: Financing of the International Tribunal for the prosecution of persons responsible for serious violations of international humanitarian law committed in the territory of the Former Yugoslavia since 1991 (*continued*)

Agenda item 143: Financing of the International Criminal Tribunal for the prosecution of persons responsible for genocide and other serious violations of international humanitarian law committed in the territory of Rwanda and Rwandan citizens responsible for genocide and other such violations committed in the territory of neighbouring States between 1 January and 31 December 1994 (*continued*)

Report of the Expert Group to Conduct a Review of the Effective Operation and Functioning of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda (A/54/634, A/54/850 and A/54/874)

1. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/54/874) on the note by the Secretary-General containing comments on the report of the Expert Group to Conduct a Review of the Effective Operation and Functioning of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda (A/54/850), said that paragraphs 1 to 3 contained background information, while paragraphs 4 to 14 contained the Advisory Committee's comments and recommendations. Both the report of the Expert Group (A/54/634) and the note by the Secretary-General would be discussed in the Fifth Committee, the plenary Assembly and the Security Council. The comments of the Tribunals on the Expert Group's report were summarized in the annexes to the note by the Secretary-General.

2. Instead of commenting or taking a position on each of the Expert Group's recommendations or each of the comments thereon contained in the annexes to the note by the Secretary-General, the Advisory Committee had set out what it considered to be the most appropriate procedure in respect of those two documents. Paragraph 6 of the Advisory Committee's report indicated that 16 of the Expert Group's recommendations had already been put into practice, and recommended that the review of the remaining recommendations should be completed expeditiously. Since the Expert Group's report dealt with two independent Tribunals that operated in different environments and with different practices, it would be inappropriate to call for complete harmonization of the application of the Expert Group's recommendations.

3. The Advisory Committee's views on recommendations 20, 21, 43 and 45, which related to issues of particular concern to the Security Council, were summarized in paragraphs 9, 12 and 13 of its report. Paragraph 12 contained its recommendation concerning the Secretary-General's request for guidance in the preparation of the Tribunals' budgets for 2001. Paragraphs 5, 9 and 11 indicated the procedure to be followed for those recommendations of the Expert Group that dealt with management, personnel and budgetary issues. In paragraph 14, the Advisory Committee recommended that the Secretary-General should submit to the General Assembly, at its fifty-fifth and fifty-sixth sessions, reports on the Tribunals' review of recommendations not yet put into practice and on the results of the implementation of the Expert Group's recommendations.

4. With respect to the action to be taken by the Fifth Committee, the Advisory Committee recommended that the General Assembly should acknowledge receipt with appreciation of the Expert Group's report. That wording had been chosen deliberately. However, the Fifth Committee might wish to consider recommending other options to the Assembly, such as that it should take note with appreciation of the report of the Expert Group and of the work done thus far by the Tribunals on the related recommendations of the Expert Group; take note of the note thereon by the Secretary-General; and concur with the comments and recommendations of the Advisory Committee.

5. **Mr. Ramos** (Portugal), speaking on behalf of the European Union, the associated countries Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, and, in addition, Liechtenstein and Norway, said that the European Union regretted that once again the late submission of documentation had hampered the Committee's work. He requested an explanation.

6. The strong support of the European Union for the work of the Tribunals had been well established. Its

concerns about their functioning were driven by the desire to make the best possible use of their resources. Both Tribunals had been burdened by the slow pace of trials and a worrying length of detention time, and, as the Advisory Committee had observed, increased resources alone would not remedy that situation.

7. The European Union recognized the positive developments taking place in the administration of the Tribunals, but in the light of the reports of the Expert Group and the Office of Internal Oversight Services (OIOS), it would welcome clarification from the Secretariat regarding which areas needed improvement and what steps were being taken.

8. The Expert Group had noted that court management was the nerve centre of the Tribunals, and, concerning the International Criminal Tribunal for Rwanda in particular, that the administration of the courts was not entirely satisfactory. The steps taken to address that issue were therefore welcome. The European Union remained concerned about such administrative functions as financial control, accountability and procurement. The issue of the remuneration levels of defence counsel also deserved careful attention. It would also be of interest to know what steps were envisaged to speed up trials. The European Union shared the opinion of the Expert Group that the Tribunals should continue their outreach programmes.

9. The European Union took note of the recommendations of the Expert Group concerning administrative arrangements. Although it shared the view of the Secretary-General that the creation of parallel administrative structures in the Office of the Prosecutor and the Chambers was unnecessary, it believed that it was important for all organs of the Tribunals to be fully involved in the budget process. It also endorsed the comments of the Secretary-General on the OIOS recommendation for a clear statement of the role, scope and reporting relationship between the organs. The European Union stressed the importance of recruiting high quality staff and of training and evaluating staff properly. It was also crucial to explore the use of such modern technology as videoconferencing. In relation to translation, it was essential for resources to be targeted properly in order to ensure that priorities in the translation of documents were adhered to.

10. The European Union was grateful to the staff of the Tribunals for their efforts to fulfil their important mandates despite difficulties. It concurred with the Advisory Committee, however, that before requesting additional resources, the Tribunals should fully and effectively use existing resources. It further agreed that the Board of Auditors and OIOS should continue to pay particular attention to management issues.

11. **Mr. Udegbunam** (Nigeria) said that the establishment of the two Tribunals was a robust response by the international community to violations of civilized standards of morality. His delegation commended the achievements of the Tribunals and supported their efforts to meet the challenges identified in the report of the Expert Group. In particular, it welcomed the success of the International Criminal Tribunal for Rwanda in apprehending and bringing to trial the senior government officials allegedly responsible for the 1994 genocide. That achievement was particularly significant because Security Council objectives would not be fulfilled if only low-level officials, and not the senior military and civilian leadership, were brought to trial. His delegation was pleased with recent efforts by the International Tribunal for the Former Yugoslavia to modify its prosecution policy along those lines.

12. His delegation was concerned, however, about the pace of trials at both Tribunals. Although judicial processes did not always lend themselves to speedy resolution, the Tribunals could do better. His delegation concurred with the views of the Expert Group that the responsibility for prolonged trials rested predominantly with the judges, and had noted the efforts under way by judges of both Tribunals to put an end to the practices which caused the delays and to create conditions for more expeditious proceedings through changes to the Rules of Procedure and Evidence.

13. His delegation commended the ground-breaking work of the Rwanda Tribunal, which had set important precedents in the adjudication and punishment of the crime of genocide, and the progressive improvements in its administration and judicial support systems which had facilitated those achievements. It was also noteworthy that its management had introduced innovations in managerial and financial accountability and transparency by instituting additional guidelines for utilization of the Trust Fund.

14. His delegation strongly supported the views of the Secretary-General regarding the structure of the Tribunals and the functions of their organs, as contained in document A/54/850. The statutes assigning specific functions to each arm of the Tribunals should be adhered to in the interest of efficiency and accountability.

15. Finally, his delegation expressed concern about the rising cost of defence counsel. It welcomed the measures taken by the Registrars of the two Tribunals to monitor and control defence costs. In that connection his delegation was troubled by the reference in the report of the Expert Group to fee-splitting arrangements between some defence attorneys and detainees at the International Tribunal for the Former Yugoslavia. Such a situation would amount to professional misconduct. He called on the Secretary-General to investigate the allegation thoroughly, as it had serious implications for the use of resources provided by Member States for the functioning of the Tribunal.

16. **Mr. Munyakazi** (Rwanda) said that the International Criminal Tribunal for Rwanda had encountered difficulties as a result of its internal administration and management and because of external factors inherent in its operational conditions, discouraging the hopes of Rwandan citizens for justice. However, improvements had taken place over the past 3 years, in particular the reforms made by the Registrar.

17. His delegation was aware of the special circumstances and working conditions in both Arusha and Kigali, and believed that the Rwanda Tribunal should receive the same level of resources and assistance as the International Tribunal for the Former Yugoslavia in The Hague in order to avoid a double standard. A double standard was also reflected in the pattern of criticism directed at the Rwanda Tribunal, since the Yugoslavia Tribunal did not receive the same degree of scrutiny.

18. Ways and means must be found to avoid adjournments and delays in trials. It should be possible to speed up the provision of human resources to the Tribunals. His delegation urged a reconsideration of the current system whereby 30 per cent of the international staff for the Rwanda Tribunal came from outside Africa.

19. **Ms. Rudzitis-Pinnis** (Latvia) said that her delegation aligned itself with the statement by Portugal on behalf of the European Union.

20. **Mr. Yussuf** (United Republic of Tanzania) said that discussing both Tribunals in one report was confusing; it would be preferable to have a separate report on each.

21. **Mr. Sach** (Director, Programme Planning and Budget Division), in reply to the comments regarding lateness of documentation, said that in the case of document A/54/850 the Secretariat had set up a timetable which would have allowed the document to be issued on time. However, the comments requested from the Presidents of the two Tribunals had not been received by the target date of 25 February, owing to the complexity of the issues being addressed. The comments of the International Tribunal for Rwanda had been received on 20 March and those of the Yugoslavia Tribunal on 3 April. At that point the Secretary-General's comments had had to be incorporated; the report was then sent for translation. The Secretariat had moved as fast as possible, but would attempt to do better with future reports.

22. The other issues raised would be addressed in informal consultations. There was no expectation that all recommendations would be addressed at the current session or at the forthcoming fifty-fifth session. The Advisory Committee had recommended the submission of a report at the fifty-sixth session. A number of actions would be required over the forthcoming 18 months, some of which might require Security Council action to change the statutes.

Agenda item 130: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*) (A/54/709, A/54/736, A/54/841 and Add.3, A/54/869 and A/54/873)

23. **Mr. Woodward** (United Nations Board of Auditors) introduced the report of the Board of Auditors on the special audit of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/54/869) which had been carried out pursuant to the request contained in General Assembly resolution 54/18. The audit had found that 91 per cent of the

overpayment of mission subsistence allowance to 192 civilian international staff members between May 1991 and March 1996 had been recovered, leaving a total outstanding balance of $77,651 as at 31 January 2000. The overpayments had been caused by the Mission's failure to follow instructions from the Department of Peacekeeping Operations and to implement an important recommendation of the Internal Audit Division regarding the application of mission subsistence allowance policies.

24. Roughly two thirds of the mission subsistence allowance paid to 1,425 military observers between May 1991 and September 1996 had been paid before the observers had accrued the entitlement or according to a formula which had differed from the established one. However, those irregularities had not resulted in any final overpayment, since the amounts paid had eventually been earned. The remaining amount had been paid in accordance with the Notes for the Guidance of Military Observers on Assignment which had been in effect at the time of payment. The Board of Auditors had recommended that, in future, the Department of Peacekeeping Operations should ensure that missions complied with established procedures and, in particular, that they did not pay mission subsistence allowance in advance of entitlements.

25. **Mr. Medili** (Director, Field Administration and Logistics Division) introduced the report which the Secretary-General had submitted, pursuant to General Assembly resolution 54/18, on the payment of mission subsistence allowance in UNIKOM (A/54/873). The Secretary-General's previous report on the subject (A/53/1023) had provided an in-depth analysis of all the factors which had affected the administration of the mission subsistence allowance regime in UNIKOM, and had presented detailed information on policies and practices in that area, as applied to military observers and civilian staff. It had concluded that the overpayment of military observers had been considerably overestimated, but had recommended the continuation of recovery action in respect of civilian staff and had noted that those staff had availed themselves of the internal recourse mechanism at their disposal; the process was still ongoing.

26. The comprehensive audit of UNIKOM which the Board of Auditors had undertaken pursuant to General Assembly resolution 54/18 (A/54/869) had largely confirmed the conclusions set out in the Secretary-General's 1999 report (A/53/1023). The current report of the Secretary-General therefore concluded, in respect of civilian staff, that recovery action should continue and the legal recourse mechanism should be allowed to run its course, and, in respect of military observers, that recovery efforts should cease and the amounts already recovered should be reimbursed to the individuals concerned.

27. The situation which had arisen in connection with the payment of mission subsistence allowance in UNIKOM had been largely attributable to the fact that the applicable regime had not been codified in a comprehensive administrative instruction. That had been corrected by the issuance of ST/AI/1997/6 on 20 October 1997. The Secretariat was grateful to the Board of Auditors for having formulated recommendations whose implementation would considerably improve the provision of guidance to administrators and staff in the field and prevent the recurrence of situations similar to the one in UNIKOM.

28. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) recalled that, in September 1999, the Advisory Committee had submitted its report on mission subsistence allowance in UNIKOM (A/54/418) after it had considered the relevant report of the Secretary-General (A/53/1023). The Secretary-General's conclusion that civilian staff had been overpaid but that military observers had earned the payments made to them, even though the procedure followed had been irregular in some cases, had been confirmed by the report of the Board of Auditors (A/54/869). Consequently, the Advisory Committee had no basis to change the views it had expressed in paragraphs 4 and 5 of its 1999 report, to the effect that the Administration's mishandling of the matter had created an unfortunate perception of unfair treatment of the military observers and the staff, and that the General Assembly should take no action pending the outcome of the judiciary process. Once the Advisory Committee had received the text of the judgement of the Administrative Tribunal, it would inform the General Assembly as appropriate.

29. **Mr. Monayair** (Kuwait) said that the report of the Board of Auditors (A/54/869) revealed a number of inconsistencies. The report was also overdue and contained no new information.

30. While the Advisory Committee had recommended that no further action should be taken pending a trial

judgement, General Assembly resolutions must be respected, and the Secretariat must deal seriously with such matters.

31. He commended the clarity and comprehensiveness of the report of the Board of Auditors, and stressed that what had taken place in UNIKOM must serve as a useful lesson for other United Nations missions. The overpayments made to 192 civilian staff members were indicative of administrative negligence and misconduct for which he held the Field Administration and Logistics Division primarily responsible. He would await the final report of the Board of Auditors on the special audit with interest. In view of the extremely large sums involved, he wished to ascertain over what period such overpayments had been made.

The meeting rose at 11.10 a.m.